

# THE MERCHANT CASTES OF A SMALL TOWN IN RAJASTHAN

(a study of business organisation and ideology)

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A thesis submitted in fulfillment of the requirements for the degree of Ph.D. at the Department of Anthropology and Sociology, School of Oriental and African Studies, London University.

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## ABSTRACT

Certain recent studies of South Asian entrepreneurial activity have suggested that customary social and cultural constraints have prevented positive response to economic development programmes. Constraints including the conservative mentality of the traditional merchant castes, over-attention to custom, ritual and status and the prevalence of the joint family in management structures have been regarded as the main inhibitors of rational economic behaviour, leading to the conclusion that externally-directed development programmes cannot be successful without changes in ideology and behaviour.

A focus upon the indigenous concepts of the traditional merchant castes of a market town in Rajasthan and their role in organising business behaviour, suggests that the social and cultural factors inhibiting positive <sup>response</sup> to a presented economic opportunity, stimulated in part by external, public sector agencies, are conversely responsible for the dynamism of private enterprise which attracted the attention of the concerned authorities. Thus traditional ideology is negative towards externally directed change, not economic change as such.

The entrepreneurial acumen of the private sector indicates a resourceful, adaptive community and externally perceived structural weaknesses in managerial traditions are organisational strengths when viewed in the context of a known social environment where the attitudes of the people are ascertainable. The ambiguity of indigenous concepts permits certain interpretations to prevail at any particular time. This depends upon both internal and external factors and is related to the encapsulating politico-administrative framework.

The development of small-scale industry has been accompanied by partial reinterpretation of ideology and the emergence of a new élite entrepreneurial group connected with external political processes. The problematic issues of parallel systems of prestige and status has implications in local systems of leadership, which is reflected in marriage alliances. Concerted, community decision-making is precluded because the interests and independence of the Mahajan family is perceived as endangered.



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FOR BRIAN

In a private debate, the scholar Salih Awami said to Sufi Rahimi:

"What you have just said lacks references and proofs through quotations from ancient authority".

"Not at all", said Rahimi, "for I have them all here, chapter and verse".

The scholar went away, saying, "That was what I wanted to know".

The next day he made his famous speech on Rahimi which began:

"The lecture which you are about to hear from Sheikh Rahimi lacks conviction. Why, he is so unsure of himself that he has actually adducted (sic) written proofs and authorities to what he says".

IDRIES SHAH

## PREFACE

When research was initiated, I had envisaged a period of one year's fieldwork in Madhya Pradesh studying indigenous response to economic development, particularly with regard to migration trends. However, soon after arrival in Delhi in late summer, 1974, various events (including widespread rioting in Madhya Pradesh) conspired to alter the focus. Contacts suggested the Shekhawati area of Rajasthan as a more suitable field locale. The region has been characterised by extensive migration movements for many years. The State Government was planning a variety of schemes to attract the Marwaris back to Marwar. The relative scarcity of anthropological research in Rajasthan suggested challenging ethnographic possibilities. Visits to Shekhawati uncovered mercantile out-migration so extensive that certain small towns and villages consist of large empty mansions, guarded by watchmen, and no people. However, in one small market town, not far away from Jaipur, the State Capital, there had been in recent years a sizeable increase in population accompanied by the development of small scale industries, which the State Government hoped to stimulate. This proved more suitable than anywhere else visited in preliminary investigations, which included field trips to the south of Rajasthan in the vicinity of Udaipur and Kotah. It was compact, relatively isolated and with a pleasant atmosphere.

'Mandi' is not the real name of the settlement and it means a market place, especially for food grains. A small town possesses neither the anonymity of the villages nor of the big cities therefore its name has been changed, as have the names of informants and family firms, in order to shield them from possible embarrassment. Administrative and other place names have also been altered in certain circumstances for the same reason. Nonetheless the identity of the town

and of key informants can be discovered by determined sleuths. Therefore I have excluded much data which could prove damaging to local people's interests and included nothing which was not common knowledge. If the consequence is that the social unity of the Mahajan (merchant) population acquires an unwarranted precedence as a theme this is regrettable but unavoidable. Perusal of Fox's studies of the Baniyas of Tezibazar (especially Fox, 1969, chapters six and ten) may provide necessary correctives upon small town politics.

Fieldwork was not easy. The climate is harsh and water was always in short supply. Rajasthan at that time was a declared famine area. Food was monotonous, unpalatable, and scarce. In order to be socially acceptable, my diet could not be supplemented by preserved food of any kind. I returned to England suffering from muscular wastage and an acute, persistent chest infection associated with nutritional deprivation. Living in the field was as gruelling psychologically as it was physically. The problems of the female anthropologist in a purdha society require their own book. There is no concept in such a society of the 'lone woman'. Several months elapsed before I was judged sufficiently respectable to meet any Mahajan women. The mental stress and anxiety involved in returning to one's own society and culture and re-adjusting to ordinary life after an intense experience are actually worse than the initial 'culture shock' in the field. I mention these considerations because I fully agree with Lewis (1976, p. 27) that in this type of work the researcher's personality bulks large. Not enough is known, he argues, about the complex interaction between the fieldworker and the fieldwork situation, which ought to be taken into account in evaluating reports. Akbar S. Ahmed (1980, p. 18) makes a similar plea, and describes in some detail the difficulties he faced in Waziristan.

Quite early in fieldwork it became apparent that carrying out a formal survey by means of a questionnaire and a statistically representative sample would be prejudicial to longer term interests. Two kinds of arguments are generally put forward to show why social anthropologists have not made much use of statistical and quantitative methods in collecting fieldwork material. These are: i) lack of time, absence of adequate documentation, and the need to establish and maintain rapport; ii) the unsuitability of much anthropological material for statistical analysis. Both the difficulty of obtaining the data and the question of its relevance were important.

I collected quantitative data wherever I had access to it. Direct questions about business affairs invariably drew a blank. Towards the end of fieldwork when the cooperation of some if not most of the business community had been gained, it was possible to attempt a survey of permanent commercial activities: every shop with a street frontage, every barrow, teastall and so on which had a regular basis. Some concerns must necessarily have been overlooked because of impermanency of site or infrequency of appearance. Out of 273 commercial concerns identified, there were 13 outright refusals to answer any questions, and 15 evasive sets of answers which amounted in the end to refusal, making approximately 10% of the total.

Hence the survey of town commerce and the social and economic data drawn from it are less than ideal and a significant minority is not represented, i.e. the non-commercial population. I did not take a preliminary population census on a house to house basis because a single anthropologist cannot hope to visit some 1,861 houses and interview some 1,923 people (heads of households) or even a large fraction of these figures in order to obtain a general picture of the



community. To do so would require a team of interviewers, and assistants, and several years' fieldwork. At the same time, my position as an outsider armed with a questionnaire would have encouraged suspicions about motives which would have precluded gaining equally important qualitative data. It was widely believed that I was a spy, perhaps working for the Pakistan Government or even the Americans. Others thought that I was employed by the Indian Government as an Income Tax or Customs Officer.

Accordingly I focussed on an intensive study of representative families, though not necessarily representative in the statistical sense. The problems of gaining acceptance were such that I could not afford to take a statistical sample and subsequently find that it would not be followed through. I had to ask questions where I could most readily gain rapport. After my acceptance had been facilitated via the kindness and interest of certain merchant families, I managed to gather sufficient data to be able to feel with some confidence that the aspects of social life presented below are representative of the social institutions which characterise the Mahajan community of Mandi. For comparative material I followed informants' ties outside Mandi, and obtained data on families belonging to the traditional merchant castes in Jaipur, Delhi and Kotah.

However, in a sense, detailed observations of both social and economic organisation date from the time when informal interviews and discussions, and recording events that were observed or recounted etc., could be achieved amongst the women as well as the men. This was about four months after entry into the field. Participation in the life of the Mahajan community was at the very best restricted and partial. Unfortunately, it was not as pleasant an experience as described by other anthropologists (see, for example, E.S. Bowen's

Return to Laughter), but mutual understanding and appreciation were reached and I was sorry to leave when the time came.

Interviews were conducted in Marwari and, as my Hindi was not sufficiently flexible enough to cope with the changes in grammar, vocabulary and pronunciation entailed, I initially made use of an interpreter, who became later research assistant, housekeeper and friend. In the text, non-English words are underlined or put in the upper case, unless they are sufficiently commonplace to have passed into the English language. Plurals are formed by the addition of the English letter s. Formal transliteration of words has been avoided so that readers without training in linguistics will not encounter difficulties. Place names which are more familiarly known by their English forms are given that way (thus Ganges, not Ganga). At various points in the text sayings, proverbs and informants' statements are also given directly in English and not formally transliterated.

A final difficulty which needs mentioning has been completing the task of 'writing up' in a new university in a developing country which, though possessing good facilities, cannot measure up to the research facilities available in London. Therefore what follows is partially encapsulated in time. Common sense dictates that over the last couple of years there must have been numerous studies on entrepreneurs and South Asia which are for one reason or another unavailable here. This would apply particularly to research undertaken from a Marxist perspective and also works on psychological anthropology.

The number of people who have helped directly or indirectly is huge and it is impossible to name more than a few individuals. At SOAS (London University) Professor David Parkin first introduced me to anthropology as a graduate student from

quite a different discipline. Professor Adrian Mayer was my supervisor for several years including fieldwork, which was supported by a Social Science Research Council Award. Dr. Lionel Caplan very kindly assisted with supervising the final version of this thesis. Professor Abner Cohen offered sensitive criticism in a series of seminars which I gave shortly after returning from the field. Dr. Rodney Clark thoughtfully commented on drafts of chapter six. Professor Kenneth Ballhatchet and Mr. John Harrison brought relevant historical data to my attention and invited me to give several papers in their History Department Seminars. Doctors Ronald Ng and Harvey Demaine discussed the geographical data whilst Simon Weightman taught me Hindi and commented on drafts of chapter five. Deepest thanks are due to all these. Needless to say responsibility for errors and omissions is mine alone.

Had it not been for Professor Scarlett Epstein and Mrs. Rosemary Watt at Sussex University, however, this thesis could not have been finished. Their concern and encouragement have helped me through dark days. My dear friends Beryl and Amarjit Singh Dhanjal had faith in me when I did not and Dr. Nici Nelson, too, has provided unfailing moral support. Grateful mention must be made of Bob Shaw, formerly Ford Foundation Representative in Islamabad, Pakistan, whose organisation funded the Visiting Fellowship at Quaid-i-Azam University which has sustained me for the last two years. Professor M.A. Rauf and Ms. Naveed-i-Rahat Jaffri of the Anthropology Department at that institution kindly ensured that teaching duties have not intruded too much. Other friends in Islamabad to whom thanks are due include Dr. Doris Buddenberg, Donald Holder and Shona Falconer, who have helped in a variety of ways, despite their own busy lives. Mr. Muhammad Saeed Mughal did the typing, and Muhammad Sharif-ul-Haq Grewal made arrangements for the cartographic work, with endless patience.

As for my time in India, I must acknowledge the advice of Doctors Shyam and Leela Dube who advised on fieldwork at the Indian Council of Social Science Research, under whose aegis research was conducted. Professors M.S.A. Rao and Andre Beteille found time to discuss my ideas on several occasions at Delhi University. Mrs. Ratna Datta-Pande was my Research Assistant, who shared the regours of life in Mandi with scarcely any complaint and much good humour. When poor health forced her to return to Jaipur her sister, Annuradha Datta, assumed her role as helper, confidante and friend. In Jaipur their parents, Mr. and Mrs. P.C. Datta, provided a home away from home. In Mandi itself, special mention must be made of Sital Prasad and his mother Dhandi Devi, Bajrang Lal, Padam Chand and Madhu Devi, Asha Devi, Gujar Mal, Brij Raj Pareekh, Sunder Lal, Gauri Kumari and Roopa. Again many thanks are due.

Greatest thanks of all are due to my parents and grandparents whose sacrifices in the cause of education over the years have been awe-inspiring.

C.M.C. COTTAM  
ISLAMABAD, AUGUST 1982

## INTRODUCTION

### THE PROBLEM: CULTURAL CONSTRAINTS ON PLANNED ECONOMIC CHANGE

This thesis deals with the cultural constraints upon externally directed economic development in a market town in Northern Rajasthan. As Bailey has pointed out, most economists prefer to focus their attention on those values which can be quantified.<sup>1</sup> They are sometimes tempted to say that a farmer who has an eye on his immortal soul, or prefers to keep his family together, rather than growing more potatoes at less cost is not behaving rationally, he is being superstitious or sentimental. He has not realised that 'business is business'. This usually means that the observer cannot understand value hierarchies other than his own, or else cannot quantify them and hence decides that such values can be ignored (Bailey, 1973, p. 8). In this thesis I shall be reversing the economists' procedure and specifically focussing on the social and cultural features which I think are explanations for the acceptance or rejection of change.<sup>2</sup>

Kluckhohn has defined a value as "A conception, explicit or implicit, distinctive of the individual or characteristic of a group, of the desirable, which influences selection from the available modes, means and ends of action" (Kluckhohn, 1959, p. 396). I am not attempting however to build up a theory of values from first principles. Values more or less as defined by Kluckhohn will be taken as given. I think it is more useful to ask to what extent do socially sustained concepts and therefore for the sake of analysis steady categories of values control individual perception and inhibit innovation?

Innovation is not new in Mandi. It is an essential part of the growth and development of business families as I shall argue below; but more tangible innovation can be seen in the recent development of small-scale industry run by local families. These families fall under Barth's definition of entrepreneurs: "To the extent that persons take the initiative and in the pursuit of profit in some discernible form manipulate other people and resources, they are acting as entrepreneurs".<sup>3</sup> He adds: "Furthermore, entrepreneurship is associated with management, innovation and enterprise and with differentiation of economic roles within the entrepreneurs' community of operation. It is associated with situations of social change and economic growth and consequently with risk-taking." (Barth, 1963, p. 6).

In Rajasthan, Mandi is regarded as an enterprising sort of place. It is even the situation of a famous Marwari joke about the pursuit of profit to the bitter end.<sup>4</sup> If any one place could be said to provide a culture for innovation, Mandi would probably be that place. Anything that can be bought or sold is available, or can be procured—at a price concomitant with the risk involved. Shops offer smuggled Japanese brushed nylon saris in winter, American synthetic georgette saris in the summer, as well as run-of-the-mill goods on the black market such as transistor radios and portable cassette tape recorders. One government officer sported an American air-conditioner, procured through 'friends of friends'. There is no lack of profit motive here, nor of initiative, nor of risk-taking orientation and 'business is business'.

It is this propensity to innovate which is the principal reason why the Rajasthan Development Corporation (R.D.C.) became interested in Mandi, with the hope of stimulating the industrial development which has taken place so far. There

are now 13 oil mills which process vegetable oils, four flour mills, a soap factory, a candle factory and an ice plant, all run by local families. However local entrepreneurs have shown little interest in the projected programme of grass roots development and plans for setting up an industrial area appear to have failed altogether.

The development programme involved attending meetings, agreeing on schedules, and negotiating with external political processes for sizeable State Grants to industry. I shall call these decisions and actions the public sphere of decision-making, distinguishing them from purely familial decisions on investment and the use of capital, which will be termed the private sphere or sector.<sup>5</sup> Two questions now emerge: why is it that the entrepreneurs of Mandi are innovating successfully in the private sector whilst proposed innovation in the public sector has experienced such difficulties? And why is it that some of the wealthiest families in Rajasthan (if not in India) are so chary of investment in development, given their innovation orientation, expressed as a profit motive?

This lack of response to a presented economic opportunity is a most interesting and very complex problem, with important implications for planned economic change. Dealing with peasant response to change Belshaw has argued: "...common is the condition in which altered ways of life appear to be so far beyond practical possibility or the means to reach them are so little understood, or the costs of achievement are so great that inaction results...the relevance of the little stages on the way to the great goal are not seen or are judged to be too costly or even to be retrograde if there is much insecurity that, despite a beginning, the ultimate goal may not be achieved" (Belshaw, 1965, p. 41).

In Mandi, none of this is true. Altered ways of life are not far beyond practical possibility, nor are the means to reach them misunderstood, nor are the little stages on the way to the great goal glossed over. What impedes a favourable response to the R.D.C.'s projected programme of industrial development is that the costs of achievement are thought to be too great and the stages on the way are perceived to be retrograde. For to participate in the development scheme is regarded to be a dangerously compromising activity, even immoral. Why should this be the case?

#### INDIGENOUS CONCEPTS OF BUSINESS BEHAVIOUR

This thesis attempts to make intelligible and to interpret the economic organisation of a merchant community, with special reference to indigenous ideas about the way in which business ought to be run. The problem thus before me is to present several indigenous concepts, to explain how these are used to construct indigenous models of business behaviour and to show how these models are used as competing justifications for making specific decisions. The concepts in question are those of labh and dharmā, which for now can be translated as profit and duty. Chapter six deals with these concepts in their fullest meanings. They are not in any sense binary oppositions of thought categories but nonetheless these socially sustained concepts do give rise to two opposing models of possible behaviour. The wise merchant avoids both of these, presenting himself as neither a nawab (profligate) nor kanju (miser) but as something else, which is however unstated. Herein lies a difficulty, how to interpret a concept of right action which is not explicit. Merchants refer to one another as halki (lightweight, shoddy, not the genuine article) as opposed to asli (pure, unadulterated, the real thing). But to my knowledge there is no single word, or even phrase, to say what 'the real thing' is.



Traditionally however, a model of appropriate conduct was given by the seth. This again poses problems in translation for the literal meaning is 'a rich man', but probably the term 'elder' is more helpful in this regard. As is the case in many traditional ideologies, wealthiness in Mandi is regarded as a God given quality. As Gellner has pointed out with regard to North African data, such emergent leaders are regarded to have been chosen and rewarded by God, but in fact they are chosen by the people themselves through lengthy processes of social interaction (Gellner, 1979, p. 43). The seths in fact are the living embodiment of indigenous conceptualising about appropriate conduct and in turn by their leadership help to mould popular opinion and beliefs concerning 'the right thing to do'. Their advice is sought on a wide variety of matters and not to abide by their decisions is shameful.

The extreme wealthiness of the seths (which is one of the primary criteria for their selection as pillars of the community) is believed to be the outcome of morally consistent behaviour, specifically action in concordance with the implications of labh and dharma. In practice this means the association of the seth and hence of his family business in long-standing transactions through time with other respectable merchant families, emphasis being always upon stability, continuity and mutual prosperity. Thus reputation rests upon wealth gained in an appropriate and prescribed manner, access to which in turn rests upon reputation.

In recent years, however, a challenge to traditional ways of conducting business has come from development of small-scale industries. Here immense amounts of money have been made very quickly by certain entrepreneurial families. Despite their wealth these people are not called seths but are referred to by the derogatory word uncha ('big shot')

implying their parvenu status. A new theme now emerges: to what extent does this pose a challenge also to traditional ideology and how is this being manifested? That is, to what extent is economic differentiation being matched by differentiation in other dimensions of community life such as kinship and marriage patterns or religious and political affiliations?

This is a fairly standard sociological/anthropological perspective on economic-cum-social change and indeed it might be argued that we should expect it. However a special interest is provided by the study of a merchant community in a small town in South Asia, studies of both of which are remarkably lacking. The situation in Mandi is fundamentally different from that of peasants, who have provided the bulk of the fieldwork data so far on economic development and social change, and who have little to bargain with but their land and lack many necessary skills for coping with the outside world. To begin with all male merchants (and a good number of the women) can read and write and perform complex arithmetical calculations, no mean skill in Rajasthan where, at the time of fieldwork, 91% of men and 98% of women were illiterate. (Times of India, 27.2.75). Children from merchant families start work in their family businesses at a very early age and shoulder responsibility as fast as they are able. This is most important in a society where it is believed that vocational training can only be acquired in childhood. In the acute competition of the bazaars these previously learned skills, not to mention a wide net of credit relations, customers, clients, and the intangibles of 'custom' and 'goodwill' are essential for survival.

Thus we are not dealing with people who worry about the threat of individual profit-making to public morality (Parkin, 1972) and for whom public morality takes undisputed preference over private gain. Nor are they of the opinion

that the world outside the little community is a jungle where morality does not hold good (Bailey, 1973; Foster, 1965) or is held less strongly than in their own community. Therefore, we should not expect economic change to pose any moral questions, particularly, regarding the nature of new economic relations in a mercantile community.

To sum up the main points so far, in attempting the descriptive analysis of the economic organisation of the merchant community of a small town in Rajasthan, I shall be attempting to make intelligible their own theories of economic behaviour, that is "to interpret just what the concepts in question mean to them" (Gellner, 1979, p. 19) and how they are used in thinking about change. I think it is both useful and interesting to bring the thinking recipients of externally directed change back into focus and to try to understand negative response to economic opportunity from their perspectives. Of course, there are both theoretical and methodological implications which require an airing in this regard. This will form the substance of the subsequent section of this chapter.

#### SOME THEORETICAL IMPLICATIONS

I have called this section "some theoretical implications" in order to underline the fact that they are potentially both many and complex, and it would range far beyond the scope of this thesis to deal with them all, even on a perfunctory level. For in choosing the task of interpreting indigenous concepts and explaining how they influence the selection of available modes, means and ends of action, there is the risk of straying ever deeper into the thickets of ontology, epistemology and hermeneutics.

Cohen has suggested that a major lesson to be learned from the older sciences is to cut down the number of variables under analysis (Cohen, 1969a). Whilst not everyone would agree that the central theoretical interest in social anthropology today must therefore be the analysis of the symbolism of power relations, criticisms of his approach must be primarily on the grounds of over-rigidly defining the field and not the central message.

Bearing in mind Cohen's advice, I intend to restrict myself to several issues arising from approaches to the study of entrepreneurs in social anthropology, with particular regard to the question of ideology and to discuss briefly the implications of trends in current analyses for economic development and social change in South Asia.<sup>6</sup>

Generally speaking there have been two types of analyses dealing with entrepreneurs, reflecting the continuing dialogue between holism and methodological individualism in social anthropology. The holistic approach, concentrating as it does upon social structure considers the impact of a limited number of specific social institutions like religion or kinship for example upon entrepreneurial activity. Key figures in this regard would be Geertz (1963), Benedict (1968) and Mines (1972). The methodological individualists on the other hand are predictably addressing entrepreneurs from the perspective of maximising individuals, who by their egocentric transactions may generate new social forms. The main figures here would be Barth (1963), Paine (1971), and Belshaw (1965).

However, as usual, theoretical perspectives are principally a matter of emphasis and there are several conceptual frameworks for analysing the same empirical data.<sup>7</sup> In recent years the question of ideology has again achieved prominence,

with the revival of Marxist anthropology. From the Marxist perspective, ideology (values, beliefs, religion and so on) is considered as a set of mystifying properties accruing to economic factors. There are not many studies of entrepreneurs from this perspective. Parkin (1972), Caplan (1970) and Bailey (1957), for example, all consider shifts in institutional arrangements brought about by changing ecological factors or other extraneous circumstances. But whilst in very general terms they would appear to be arguing that changes in the means of production lead to changes in social relations, none of them could in any way be said to be Marxist anthropologists. Epstein's studies (1962/1973) again have been concerned with the inter-relationship between changing economic conditions and social institutions. She has found that the Hindu system of values as particularly manifested by the social structure was perpetuated by a change in technology. This is quite the converse of the principal thesis of historical materialism, that a change in the mode of production will lead to a change in social relations and a change in ideology.

#### WEBER, IDEOLOGY AND RATIONAL CAPITALISM

The question of the role of ideology in the development of economic rationality and the growth of modern, western capitalism is, of course, indissolubly linked to the name of Max Weber and has been highly influential in the development of social theory. Studying the differential accumulation of inherited wealth over time with regard to Catholics and Protestants in Europe, Weber concluded that the principal explanation for their divergent development must be sought in the intrinsic character of their religious beliefs (Weber, 1962a, p. 40). Amongst the Calvinists of the sixteenth and seventeenth centuries, for example, two key concepts strengthened the incentives to work and save, and hence accumulate

capital. These are (a) the belief in predestination—that some were predestined to be the Elect of God whilst others were doomed to eternal damnation; and (b) the idea of a calling—that success in a chosen vocation was a sign of being chosen for the Elect. Together, these ideas encouraged hard work directed towards achieving success and therefore being assured of salvation. Saving was also promoted by the puritanical code of asceticism, thrift, frugality, absteniousness and individual responsibility.

This set of beliefs, according to Weber, is bound to lead to the accumulation of wealth and control over the productive assets upon which rational capitalism rests.<sup>8</sup> For Weber, 'rational' capitalism "...is organised with a view to market opportunities, hence to economic objectives in the real sense of the word, and the more rational it is the more closely it relates to mass demands and the provision of mass needs" (Weber, 1927, p. 334). It is quite different from 'pariah' capitalism, which Weber explains by reference to the role of the Jews in mediaeval commerce, finding the same features characteristic also of the traditional merchants of India "...Jewish pariah capitalism, like that of the Hindu trader castes, felt at home in the very forms of state and booty capitalism along with pure money usury and trade, precisely what Puritanism abhorred" (Weber, 1952, p. 345). The concentration of the Hindu merchants and the Jews in tax farming, exchange dealings, political financing and other 'irrational' economic affairs was because of similar ritualistic considerations. "...The (Indian) traders...in their ritual seclusion remained in the shackles of the typical oriental merchant class, which by itself has never created a modern capitalist organisation of labour. The situation is as if none but different guest peoples like the Jews, ritually exclusive towards one another and towards third parties were to follow their trades in one economic area" (Weber,

1962, p. 112). This ritual exclusivity maintained dualistic standards of morality regarding transactions with insiders and outsiders. It also hampered the organisational rationality of modern entrepreneurial capitalism, since it prevented viable industrial institutions being formed.

There are several strands to Weber's inter-related arguments—the rationality of Calvinism<sup>9</sup> as an ideology; that Calvinism generated the kind of rational economic conduct upon which Western capitalism rests; and more importantly in the context of the present study, that its absence in other cultures meant that rational capitalism was inhibited and hence economic growth not generated. But firstly, assuming that there is indeed a causal relationship of some sort between them, did the ethoses of Calvinism create the necessary preconditions for the emergence of capitalistic economic growth or might it possibly have been the other way round? For example it is possible to argue that changes in thinking as manifested by changes in law and philosophy, leading up to the enlightened socio-economic policy making of the Age of Reform were not only encouraged by the changes in science and technology responsible for the development of the industrial revolution, but also permitted greater toleration of non-conformist religious beliefs generally; a process accelerated over two centuries. Secondly, the emergence of Protestant entrepreneurs could have been due to other reasons than the intrinsic character of religious beliefs. For example there is a definite propensity for some minorities to turn to entrepreneurial activities because they are debarred from institutionalised economics. Weber was greatly interested in the process whereby an entire community could be transformed into a landless and socio-politically underprivileged unit within a wider society, so that it formed a community closed in upon itself (Weber, 1952). It seems odd that he did not make the connection between the emergence of

"guest peoples like the Jews" and the widespread and well documented discrimination against non-conformism, generally throughout these same centuries. In fact, many of the more successful Calvinistic entrepreneurs in the Protestant countries of Europe were refugees. The difference between 'insiders' and 'outsiders' is crucial, because the insider has many more problems of manoeuvring.

Commenting on the widespread pattern of outsider-entrepreneurs, Das Gupta remarks: "No doubt religion may help to preserve the morale or cohesion of a minority group; for this purpose almost any religion will do, however". (Das Gupta, 1974, p. 8). So, for example, in Cohen's study of the rise of the Tijaniya sect of Islam amongst Hausa entrepreneurs in Ibadan (Cohen, 1969b) the same two variables are being analysed--(a) the changing distribution of economic and political power over time and (b) the efficacy of one system of religious beliefs in organising this over another. In connection with the strongly moralistic stances of the Protestant sects against capitalism, it is perhaps worth mentioning the often debated opposition of Islam to profit and interest, the point being surely that religious beliefs have a tendency to contain within themselves quite disparate and even conflicting elements. Some ideas predominate at one time and others at another, and which predominates at any particular time will depend upon a variety of internal and external factors, most notably the nature of the encapsulating political and administrative structures.

Weber, in his introduction to Collected Essays in the Sociology of Religion, points out an important drawback to his attempts to show the influence of certain religious ideas or concepts on the development of the ethos of an economic system, and to find points of comparison between the world's most important religions with reference to this task. This



is the fact that ethnographic material had not been utilised to anything like its full potential, especially in respect of the section on the Asiatic religions. This was not only because of limitations of time and space, but also because he was necessarily dealing with the religious ethos of the culture bearers. The influence which these ethics had on actual conduct could only be ascertained when the facts from ethnography and folklore were compared with it (Weber, 1966). M.S.A. Rao (1973) argues that Weber would have had a different view had he taken into account the non-conformity of the Hindu traders, their puritan ethic, and so on, instead of treating Hinduism as homogeneous.

#### THE MENTALITY OF NON-ACHIEVEMENT

Weber was not trying to argue that oriental traders were any less 'motivated' or any less 'achieving' than their western counterparts. Capitalism, in the sense of enterprising individuals amassing fortunes through control over financial resources and making huge profits through speculation in war, state loans and hoarding is probably as old as civilization itself.<sup>10</sup> However, although Weber was aware of these limitations, many later scholars have ignored his strictures and taken it as axiomatic that only through changes of mental states, and only through the growth of a spirit of enterprise or the development of an innovating personality will the underdeveloped world be modernised. "In this view, the commercial practitioners of the non-industrial present are atavisms, weighed down by old, outmoded pre-capitalist mentality—leadens of mind as well as commercial techniques" (Fox, 1976, p. 17). The absence among non-western peoples of certain qualities of inventiveness, dynamism, rationality and achievement motivation is held to be a prime cause of their lack of technological and economic advance (McClelland, 1961; Hagen, 1962; Hoselitz,

1960 et al).

According to several recent versions of this approach, not only does the 'non-rational' nature of people and society account for underdevelopment, it also makes economic analysis inapplicable.<sup>11</sup> This view is seriously misleading, even dangerous, for the assumed predominance of certain cultural traits in non-western lifestyles—fatalism, limited aspirations, regard for custom, ritual or status, rather than gain, all lumped together under the rubric 'lack of rationality'—therefore makes transfer of technology inapplicable. The debate on this question has centred on the issue of rationality in traditional agriculture, mostly. Since by definition peasants are hidebound by tradition and therefore not responsive to rational incentives, attempts to ameliorate their lifestyles are doomed to failure and should no longer be attempted. Such views are often incompatible with empirical evidence.

Mines draws attention to three types of argument, in a similar vein, which have been put forward to explain and predict merchants' behaviour in the South Asian context. These are: (a) that the other-worldly orientation of Hinduism limits expectations and discourages seeking worldly wealth and that every religious community in India is influenced by this dominant ideology; (b) that the prevalence of caste amongst Jews, Christians, Jains and Muslims illustrates this predominance, and the caste system discourages rational economic behaviour by inhibiting response to new economic opportunities; (c) that the joint family reacts conservatively to change, since leadership is in the hands of an elder, and this also prevents rational handling of management problems and allocation of resources (Mines, 1972, p. 2). It is assumed that these social and ideological phenomena are the main causes deterring economic development in India

since they are asserted to predispose Indians to have limited aspirations, narrow horizons and little or no foresight.

On the opposite tack, in a series of studies, (most recently 1976) Milton Singer has expertly made the case against Weber's estimation of Indian civilization as non-rational and anti-capitalist. Singer draws our attention to the fact that entrepreneurial businessmen in Madras have successfully translated the principles and practices of the joint household into industry. He shows that the authority structure of the traditional merchant family is compatible with modern industrial management, indeed the management structure of many large-scale industrial enterprises in Madras is based upon it (Singer, 1968).

In an earlier study also based in Madras, Singer found that whilst Hindu entrepreneurs did adhere to concepts such as karma which frequently have been held to inhibit rational entrepreneurial behaviour, such beliefs did not interfere with their pursuit of economic gain, for they were successful in business. Singer suggests that the significance of beliefs, values and motives can only be successfully determined in particular social and cultural contexts where the attitudes of the people are known (Singer, 1966, pp. 500-504).

Singer's stress on context is rather important for it is precisely this which is lacking. Other than Singer, anthropological studies of the traditional merchant communities in South Asia can be numbered on the fingers of one hand.<sup>12</sup> Furthermore I am inclined to agree with Fox (1976, p. 19) when he suggests that "Weber's conceptions are the conscious or unconscious underpinnings of the theories of Hagen, McClelland and (as we shall see below) Geertz".

Fox, moreover, finds his earlier study of the Baniās of Tezibazar (1969) guilty of the same ideological bias and implies that Hazlehurst (1968) may have been similarly affected.

The fact is that from Darling (1947) onwards, antipathy towards Indian merchants has tended to fudge the issue, to the extent that objectivity has been obfuscated. The contempt in which the traditional merchant communities of the non-western world are held by western theorists (and others) undoubtedly has its roots in centuries of prejudice, deriving first from the doctrines of early Christianity (Das Gupta, 1974, pp. 8-9) and later reinforced by the sociological tradition itself. This is today compounded by the competing political ideologies of right and left. Berated by the former for inefficient exploitation of resources and by the latter for relentless exploitation of the people, they are despised by both for being unproductive parasites (e.g. Alavi, 1975; Banaji, 1975). As Streeten observes "It is a strange fact that social scientists, whose special interest is social reality, are exceedingly naïve when it comes to examining the social origins of their own theories and models" (Streeten, 1967, p. 65).

#### LIMITED ASPIRATIONS IN DEVELOPMENT

The consequences for development have been considerable. The 1960's were years of optimism when the transference of western technology, through a variety of planned agricultural and industrial development projects seemed both necessary and feasible. When problems were encountered, the answer was sought in attempted transfers of western management concepts, coupled with programmes of evaluative research, to identify the social and cultural constraints which impeded planned economic change. The published results of these

exercises have tended to dampen 1960's-style optimism and have coincided with a world-wide economic depression from which neither donor agencies nor aid receivers have been exempt. The 1970's, therefore, have seen a pessimism towards the future of development and a questioning of the desirability of even attempting to transfer western management concepts and technology programmes to the non-western world.

In study after study, the results indicate that it is 'the system' itself, which is the problem capable of rendering practically any externally introduced innovation ineffective.<sup>13</sup> Since independence the Indian Government has tried a variety of manoeuvres to deal with 'the system' from bypassing the indigenous mercantile population as much as possible by means of socialist-modelled, state-controlled, heavy industrialisation, to local incentive schemes designed to encourage the growth of small-scale industries run by merchants (and others) on the lines of the R.D.C. Both 'stick' and 'carrot' approaches have failed and the impasse of mutual incomprehension, and mistrust, remains. (For a clear exposition of this and related matters, see The Economist, 23 March-3 April 1981, pp. 60-65).

Rushing to conclude that the problem has no solution, which is tantamount to saying that Africanisation or Indianisation of national economies should never have been attempted and possibly should be reversed, has a certain vogue at present. But it might be possible that the patterns of customary behaviour which are viewed as hindrances to change by external theorists—from their own standpoint within the western managerial tradition—in fact may be organisational strengths. An understanding of these may provide insights into the amazing ability of traditional business firms to survive, even in the most difficult of encapsulating milieu. Perhaps a more relevant question might be the transferability,

not of western managerial concepts to South Asia et al, but the transferability of, say, Swatownese or Gujerati managerial concepts to such diverse places as East Africa, the United Kingdom or the Caribbean countries.

Commenting on the difficulties of transferring western managerial innovations into non-western situations, with particular reference to East Africa, Moris (1981, p. 83) remarks "we should realise that these 'irrational weaknesses' have, paradoxically, rational causes subject to analysis and informal action. At a minimum, a comprehensive understanding from the inside of how these systems appear to work would seem to be an essential starting point for future attempts at managerial innovation in the Fourth World". As things stand at the moment we have little idea what indigenous concepts consist of and how they are used in moulding actual behaviour.

#### SUMMARY

Looking again at the main points covered in these theoretical debates, an essential difficulty would appear to be that the amount of attention that can be given to basic matters has been very much reduced. Samuelsson asserts "the impossibility, in the last resort, of correlating concepts as broad and vague as those in question" (Samuelsson, 1961, p. 153) by which he seems to mean the sociological concepts concerning Protestantism, capitalism and so on. There would appear to be more than a grain of truth in this. Nonetheless, Weber's perspectives on ethnic-specific ethoses have passed into general parlance in studies of economic development and social change more or less as 'given'. However I am not trying to quarrel with Weber's theoretical distinction between 'pariah' and 'rational' capitalism, for indeed these terms aptly capture the moral spirit, or ethos,

of differing types of mercantile behaviour. Nor am I trying to argue that attitudes favourable to diligence and thrift are unimportant for economic growth. It is clearly axiomatic that motivation and ideology are powerful factors in economic development viz. the agricultural transformation of Communist China.

Where I do differ from Weber, and his disciples, is over the idea that organisational ability is functionally related to and varies directly with the ethnic dimension, that new types of enterprise must therefore await new ideologies and that the nature of encapsulating economic and political structures is of much lesser relevance. The crux of the matter is surely that, with few exceptions, the widespread phenomenon of family firms, which is the first rung in economic development, has been generally neglected. And whilst it may not be difficult to enumerate a number of structural weaknesses in this type of economic organisation,<sup>14</sup> the fact remains that they exhibit an astonishing ability to adapt to all kinds of adverse circumstances.

From the insiders' perspective, the outsiders' idea that all investment outside of factories is economically irrational has little relevance for the daily business of getting a living and coping with crises. What their neighbours and business associates think however is vital for survival, and the systematised organisation of these ideas into concepts is what makes social life possible, since they are correlates of all the institutions of a society. Nevertheless concepts are as likely to mask reality as to reveal it and masking it may be part of their function (Gellner, 1979, p. 18), hence the necessity for interpreting assertions in the context of a known social environment. To do so is to present an ethnographic analysis of Mandi's traditional merchant community.<sup>15</sup>

The outline of the study is as follows—the first chapter attempts to place the bazaar in its regional economic setting and to show how recent economic changes derive in part from an ancient tradition of trade and commerce. Mercantile activity is the principal raison d'être for such a desert settlement and to a great extent dominates the social organisation of the bazaar. The social context of business behaviour is the theme of the second chapter. Present day social configurations are examined in order to illustrate the spatial assertion of economic dominance and the social stratification system, that is the caste system as locally practised. The third chapter outlines the general characteristics of business in the bazaar, underlining the predominance of certain merchant families through time and the difficulty of establishing new businesses outside the pale of the moral community. Chapter four examines the boundaries of the merchant castes. It defines the extent to which they constitute a moral community through phenomena such as shared myths of origin and lifestyles, which provide a strong sense of identity and common purpose. Chapter five portrays the indigenous traditional ideas concerning the organisation of business, stressing in particular the ritual dimension to the arrangement of the shop and the books.

The emphasis on enduring relationships over time which is sustained through the ritualisation of business has been challenged by the growth of innovatory activities and in chapter six it will be suggested that modern, pragmatic considerations are causing a rethinking of ideology. Chapter seven shows that the emergence of two parallel systems of achieving prestige and status is the result, which is being worked out in the most central of merchants' social institutions, the family. The firm is the family, and differing strategies of marriage alliances both reflect and affect the split between the old style leaders and the



'new men'. Chapter eight deals principally with the failure of the R.D.C. industrial development programme and relates this to the problematic issue of leadership. Negative response to the proposed economic changes, it will be argued, provides a test case for examining the effectiveness of traditional models of appropriate behaviour regarding perception and action. It therefore permits an assessment of the validity of socially sustained concepts as explanations for the acceptance or rejection of change, which along with a summing up of the main themes of this thesis, forms the basis of the concluding chapter.

## CHAPTER ONE

### MANDI AND ITS REGION

#### INTRODUCTION

This chapter endeavours to place Mandi in its regional setting and to show how locational factors have influenced the growth and development of a typical desert settlement. The chapter commences with a discussion of the general ecological features of the region, and shows how trade and commerce are basic to its economy. The history of the settlement is traced from a conjectural past, substantiated by documented evidence for later periods, through to the present day. The aim is to demonstrate the impact of a sequence of encapsulating political frameworks. This leads into an examination of the current administrative structures prevalent in the region. A discussion of communications and transport systems reveals the paradoxical nature of geographical isolation and socio-economic interdependence with the wider world. The focus narrows in the latter parts of the chapter towards the salient aspects of the bazaars, wards, and neighbourhoods within the Notified Area of the town.

#### GENERAL ECOLOGICAL FEATURES

Mandi is a market town located in the Jaipur region of Rajasthan, a state in North West India bordering on Pakistan. Rajasthan was created in 1948/49 following the independence and partition of the subcontinent of South Asia. It had no previous existence as a political entity and was composed out of 21 former princely states collectively known as Rajputana.<sup>1</sup> Jaipur, the famous 'pink city' and capital of the former princely state of the same name became the new

capital of the State of Rajasthan. Mandi lies about 100 km. distance from Jaipur in what is now Tonk District.<sup>2</sup>

The Aravalli Hills divide Rajasthan into two quite distinct ecological zones and cut across the state from north east to south west. North of them lie the flat arid plains of Marwar which gradually merge into the Thar Desert, and straddles the border into the province of Sind in Pakistan. South of the Aravallis the terrain is rugged—a confused mass of ridges and ravines. These topographic features have influenced the history of Rajputana considerably. The area to the north of the hills offers no natural barrier to spatial mobility except climate. This had demonstrably failed to discourage wandering marauders or conquering armies and has actually encouraged trade.<sup>3</sup> Unimpeded communications have encouraged the development of similar social and political institutions throughout the area.<sup>4</sup> To the south however, the broken relief has encouraged the survival of divergent social and political institutions and provided a base from which lawless elements can harass the plains at intervals. Banditry continues to be a feature of Rajasthani life even today, particularly in Tonk District.<sup>5</sup>

Marwar traditionally comprises the northern part of Jaipur State (as Shekhawati and Sikarwati) and the desert states of Bikaner, Jodhpur and Jaisalmer. According to Tod the term "Marwar is a corruption of Maroo-war, the region of death" (Tod, 1914, p. 1). Webb remarks "I do not know who first gave the name 'Deadlands' to those parts of Rajasthan which lie north of the Aravalli Hills, but the name is apt" (Webb, 1935, p. 1). Maruwar is also popularly associated with Meru, the legendary mountain of gold which appears and disappears in the desert to tempt the unwary.<sup>6</sup> Nitya Nand classifies the vegetation around Mandi as "semi-arid steppe" that is, short sparse turf, interspersed with bare earth, salt flats,

rocky patches and sand (Nand, 1966). The local name for it is jāngal meaning empty, barren, hostile, desert.

The climate is transitional 'Hot Desert' with extremes of temperature typical of continental mid-latitudes. Heat is intense in the summer months preceding the monsoon, when afternoon temperatures regularly exceed 45°C and sometimes reach 49°C. Winters are cold and the temperature falls below zero at night. Wind and rain are equally extreme. There are dust storms throughout the hot weather, accompanied by electric storms of terrifying ferocity. Icy winds particularly in February make life unpleasant in the cool season. The absence of vegetation encourages flash floods during the unreliable monsoon rains, which appear out of nowhere and sweep everything away in their path.<sup>7</sup>

The Marwar region as a whole has a warmer maximum, cooler minimum and less precipitation than anywhere else in India except the desert proper. The Jaipur area itself, however, occupies an intermediate position between the aridity of the north west of the state and the milder more tropical climate of the south and east which merge into the Deccan. Consequently, whilst the Jaipur area has more dust storms than the rest of Rajasthan, including the desert areas, as a bonus it has the highest rainfall and the greatest number of rainy days outside Udaipur and the wetter south. In addition, it receives the benefit of a marked diurnal lapse rate, an influence of the semi-desert climatic status, which means that summer nights may be so chilly as to require a blanket if one sleeps outside. It is this relative clemency in a region of general inclemency which makes the inhabitants of Mandi believe that they inhabit a locality excelling all others in habitat, economy and society. The reasons most frequently given for adherence to the town, even in the face of economic adversity sometimes, are expressions of attachment to the locality. Its peacefulness and

religious atmosphere are usually remarked on as is its prosperity, all of which are perceived as dependent on the weather.

The significance of the climate is its impact on the economy of the region. Average rainfall is insufficient to support the large-scale cultivation of arable crops without irrigation and both surface and subsurface water are in short supply. In the absence of irrigation, therefore, both natural and cultivated vegetation must be xerophytic, that is, adapted to an arid/semi-arid climatic regime. Spices and aromatic herbs, narcotic plants and cotton were grown pre-independence, but only in the southern part of Jaipur State and neighbouring Tonk and where local conditions are amenable. Hence food grains must be imported and this is important in the context of trade. The greater part of regional trade lies in food grains. Practically all the food staples consumed regionally must be produced in other areas, though locally produced barley sometimes produces a marketable surplus. Until the advent of the groundnut and thereafter other oilseeds, the food grain trade dominated the market in Mandi and its most prosperous merchants were dealers and brokers in this business (Table 1.1).

TABLE 1.1

## TRADE, COMMERCE, INDUSTRY BY RANKING

Imported	Exported	Manufactured	Ranked
Cloth	<u>Jira</u> (cummin)	Edible oils	1st
Sugar/gur (jaggery)	Groundnuts	Stone slabs and grinding wheels	2nd
Grocery items	Foodgrains*	Agricultural tools	3rd

Source: Rajasthan District Gazetteers (new series) 1978.  
'Tonk District' p. 4b.

\* as regional entrepôt

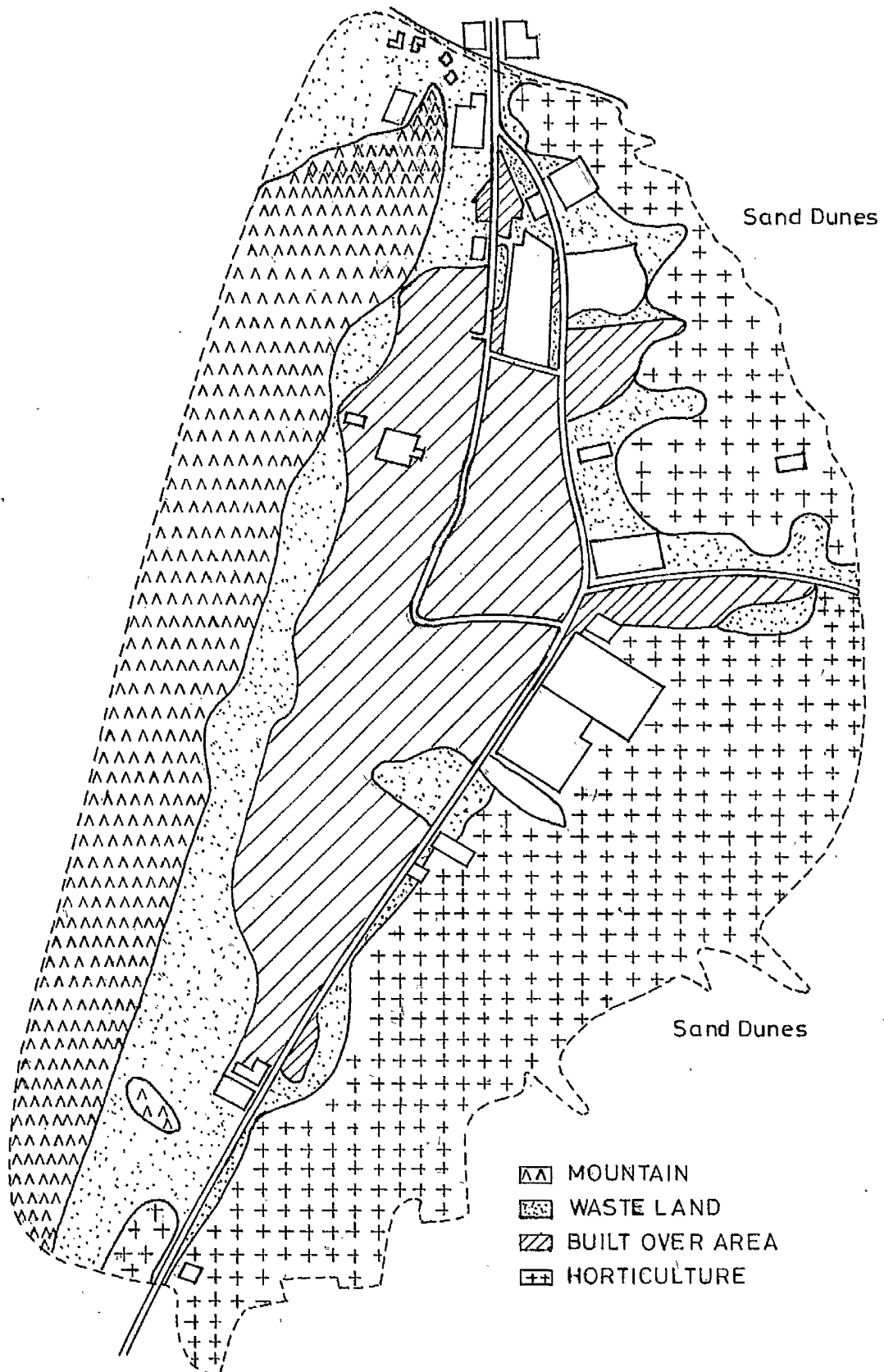
Millman remarks: "aside from moneylending, the main economic activities of the Marwari prior to the middle of the nineteenth century were concentrated in the opium trade and in the buying and selling of grain, ghee, cloth, gold and silver. Their main objectives was to buy in areas of plenty and then have the merchandise transported to areas of scarcity" (Millman, 1954, p. 11). There seems every reason to believe that this generalisation may be applicable to the unit of study.

The bazaar nestles against the south east slope of an isolated rocky ridge, which is an outlier of the Aravallis and follows the prevailing Caledonian trend. It rises to a height of about 700 m., approximately 300 m. higher than the surrounding plain and is a major landmark. A stream springs out of the north west side of the ridge, bends round the northern spur and flows south east, gradually diminishing until it disappears in the sand. Its total length is no more than one kos (about two miles). The high water table in this particular locality makes available a permanent water supply to which the origin of the settlement can be readily attributed. The importance of a permanent water supply in relation to a settlement cannot be overestimated, particularly in a desert environment and the bazaar concomitantly has long been a parao and caravanserai, that is, a resting place for long distance traders and travellers.

As far as the stream extends, the land is green and fertile, and there is a limited amount of cultivation (Map 1.1). Vegetables are grown in individual small plots by the agriculturalists who give their name to one of the mohallas (wards) to the south of the town. Typical crops are onions, mustard, carrots, cabbage, cauliflower, radish and peas in the winter and eggplant, okra, melons, cucumbers and various types of squashes and gourds in the summer. Tomatoes and peppers are

# MAP 1.1

## NOTIFIED AREA — LAND USE



cultivated for most of the year and Mandi produces a superior type of red chilli for which the district is renowned. Surplus horticultural products are offered for sale in the bazaar on market days but the trade—apart from chillis—is not significant enough for organised export. Frequently, particularly in the hot weather, there is no surplus for sale, and local diet tends to be rather restricted, consisting principally of bajra ki roti (flat unleavened barley bread) onions and roasted chillis.

Local ecological advantages of a relatively wetter micro-climate and a permanent water supply means that certain crops can be cultivated in the immediate vicinity and sheep and goats herded. Last century, cotton was grown as a cash crop, ousting the nomadic pastoralists,<sup>8</sup> and very recently ground-nuts have been introduced, replacing cotton. This has had a revolutionary effect upon the local economy and the social and economic structure of the bazaar. Over time, the focus of the economy has shifted from essentially trading and commerce (though there was some early small-scale industry—wool and cotton cloth production) to include a greater proportion of processing and manufacturing industries, in the shape of vegetable oil mills and, in the last decade, soap, candle and ice factories. The presence of local raw materials and locational advantages of situation near a major railway line and on a major highway, plus a renowned entrepreneurial ability would therefore appear to make Mandi an advantageous site for government sponsored stimulation of small industries. Later chapters will discuss why this programme failed. The main point here is that a unique relationship between environment, economy and society combines to make Mandi a thriving commercial centre with good prospects for future growth.

On the whole however, the region surrounding the bazaar consists of barren and inhospitable plains, largely uninhabi-



ted and therefore supporting one of the lowest population densities in Rajasthan and possibly in the subcontinent. The average density for Northern Rajasthan as a whole (including the relevant portions of the Thar Desert) is 75 ppsk. (persons per square kilometre). This compares favourably with the average for Tonk District, 69 ppsk., and the milder Mandi tehsil can only bear 73 ppsk. Furthermore, even this low figure masks reality on the ground—an emptiness which is uncanny in the thronging subcontinent. The population is highly urbanised distributed in fortified market towns at approximately 50 km. intervals wherever local ecological conditions are encouraging (or at least not too discouraging). Mandi is a fairly typical desert settlement, and apart from the specific nature of the direction which its entrepreneurial talent has recently undertaken, could be one of many small towns in the arid zone.

#### HISTORY OF THE SETTLEMENT

Mandi is a place of great antiquity and therefore in the South Asian context venerable. According to Hemchand Jain, there is documentary evidence to show that it was existing in the sixth century AD, but nothing to ascertain its original foundation. From the sixth century onwards, it was ruled by the Guhilas, who were originally Brahmans but assumed Kshatriya (kingly) status. It may then have come under the Chauhans (a clan of Rajputs) as Hamuradeva, ruler of Rathambor, is recorded as passing through Champavati (the nearby kingdom of Chatsu) in 1283 AD. After that it was seized by the Muslims in 1381 AD.<sup>9</sup> Persian inscriptions show that the Khiljis of Malwa passed through it in 1481 AD during the reign of Ghiyasa Shah. It was taken by Maharana Khumbhakana, a Sisodia Rajput from Mewar (Udaipur State) some time after 1433 and during the reign of Maharana Saṁdrāmasinha, Rāvala Ramchandra Solanki (another clan of Rajputs) governed from

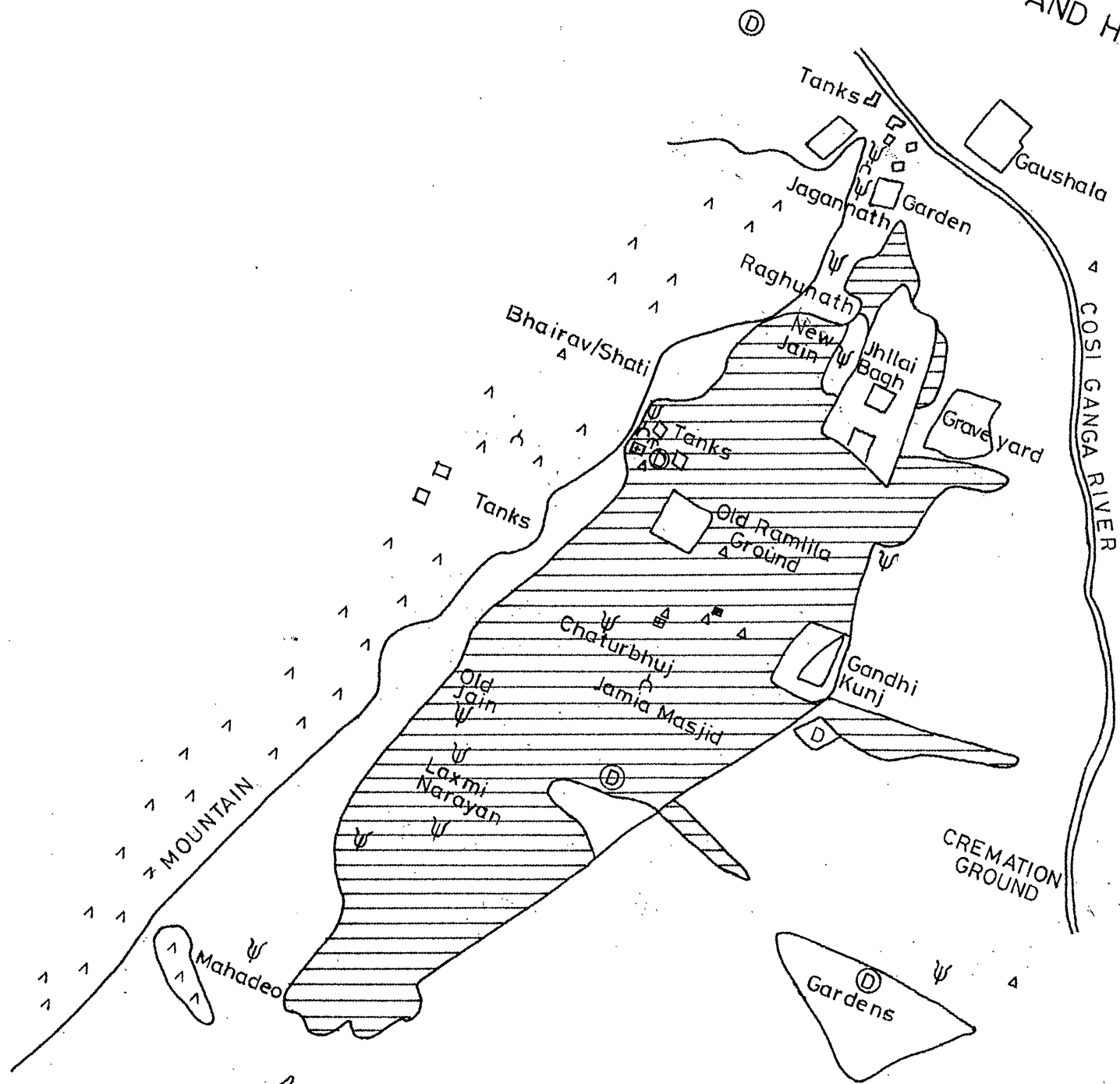
Todaraisingh (Jain, 1972, p. 203).

Local tradition has it that the ancient city of Mandi used to be situated on the other side of the ridge near the Jagannath Temple (see Map 1.2). When the present age began, the Age of Destruction, the saddhus who dwelt in the caves beneath the mountain, now incorporated into the monastery, destroyed the city for its wickedness by means of a sand-storm. Pieces of broken pottery may be collected in the river bed at the alleged site so perhaps there may be some basis in the story. Mandi, was reputedly rebuilt on the present site by Raja Naruka, who excavated the wells near the Shiva Temple to ensure a safe water supply. The wells are supposed to have miraculous curing powers and attract many pilgrims. Naruka imported Brahmans and Mahajans to serve him and the Sudras (service castes) to serve everybody.

Naruka is one of the clan names of the Rajputs and it is therefore tempting to speculate that Mandi was built (or rebuilt) when the Rajputs were subjugating the Minas, indigenous tribal rulers. Naruka is also the clan of the present Thakur of Mandi. The ruined palace is an obvious military design, though less so than the fort crowning the ridge, a Moghul conception. As Martindale points out, all the large seats of commerce and trade in India and most of the small ones were fortified, and the presence of a fortress and a local militia were powerful factors in establishing a nucleus around which a town or city could appear (Martindale, in Weber, 1962c, p. 60). The kasbah, the fortified camp of the warriors, was spatially separate from the bazaar and this dual division reveals the Islamic nature of such cities (Weber, 1962c, p. 78). Much of the history of town formation therefore is to do with a local raja, nawab or zamindar who created a bazaar and ensured peace so that trade might prosper (Fox, 1969, pp. 69-70). Mandi is an excellent example

# MAP 1.2

## TEMPLES, SHRINES AND HOLY PLACES



- ⊙ DHARMSHALA
- TEMPLE
- △ MOSQUE
- SHRINE/MINOR-TEMPLE
- ⊞ CHATASHALLI
- ↑ SATI SITE

of this type of urban development.

The presence in the locale of military-political powers different from the local inhabitants had the consequence, however, that at any time they chose the Indian princes could—and did—crush these towns and cities. Mandi has suffered a particularly stormy history, being incorporated into the princely states of Jaipur, Bharatpur, Dholpur and Tonk by turns, and sometimes fortified by tribal bandit-rajas from the Chambal ravines who were Minas or Bhils. Its location is unfortunate in that it lies at the crossroads of two important routeways, where four princely states and two chiefdoms formerly met and frequently fought. Thus the predations of brigands were exacerbated by fourfold customs and excise dues. From time to time, the Hindu merchants were forbidden to practise their religion by the Pathan Nawab of Tonk and contingents of Muslim officials were sent to enforce his decrees. Their descendants still live in the town today in the Mussulman mohalla.

Bernier is explicit about the insecurity of merchants' lives in seventeenth century Delhi: the rich hid their wealth and goldsmiths were whipped through the streets to make them confess the whereabouts of their stocks by the nobles (Bernier, 1830, pp. 149, 221-26, 311-12, 319). Abbé Dubois paints a similar picture of Mysore: everything movable, including chattels, was liable to be removed from merchants' houses by force, apparently at the whim of nobility (Dubois, 1906, I, pp. 34-35, II, pp. 659 ff.). This was not solely a feature of Moghul government however. Fox (1969) describes how the Banias (shopkeepers) of Tezibazar perceive all non-Banias as a ravening mob, ready to shed blood and loot at the slightest opportunity and Carstairs (1961) and Hazlehurst (1966) supply evidence of their timidity and passivity even in the face of extreme provocation. Presumably,

for this reason merchants have tended to form hidden communities. Keeping to themselves in the towns, often the only persons in the villages to have contact with the outside world, they are "the wanderer who came today and stayed tomorrow" (Simmel n.d.).

At the time of Sir John Malcolm's settlement in 1818, Rajasthan "presented the appearance of a sea suddenly petrified while in a condition of stormy unrest and disquietude" (Erskine, 1908, p. 70). Though immediately before the settlement Mandi had fallen to the Nawab of Tonk as his share of the spoils in the Malwa campaigns of the Holkars, it was formally included into Jaipur State. As a gift of the Maharaja of Jaipur, it continued to oscillate between the tikkanas or demesnes of Jhillai, Lawa and Diggi. Occasionally it had its own thakur according to the pleasure of the Maharaja and the practice of dispersing cadet branches of the royal Rajput lineages to the periphery of the state (Fox, 1971; Das, 1975, esp. pp. 74-76; Stern, 1977). In practice, apart from the imposition of customs duties on goods in transit along the interstate highway and on goods entering or leaving the town and the provision of the police outpost at the border, administration seems to have been minimal. Collection of house tax by the patwari and land tax by the tehsildar were sporadic in their affliction. The lack of any recognisable administration encouraged the author of the Imperial Gazetteer reference on Tonk to quote approvingly Tod's description of the princely states as "alternate malevolence and benevolence, benumbed by apathy" and to point out that whereas religious misdemeanours were punished by death, rapists, abductors of women, thugs, thieves and murderers were not even pursued and police harassed travellers as much as the dacoits (Erskine, 1908, p. 72). This presumably accounts for the fact that, despite the nearer presence of the Nawab of Tonk, merchants living in Mandi have tended to feel that their loyal-

ties lie with the Jaipur Rajputs via allegiance to local Hindu thakurs. Disputes and conflicts which could not be settled locally under the guidance of the seths were taken to the thakurs or maliks and ultimately to the Maharaja of Jaipur. The idea that Jaipur is more accessible and far less dangerous has hindered the growth of trade and other connections with Tonk. Even today very little business of any kind is transacted there, despite the administrative zoning of Mandi into Tonk District.

Though the total dominance of the Rajputs in Rajputana was broken by the two Jat kingdoms of Bharatpur and Dholpur and the two Muslim states of Ajmir and Tonk, their traditional political system was organised along broadly similar lines. In general "Hinduism was dominant throughout as were the ancient claims to authority contained within its system of beliefs. Each state had a court system composed of the ruler and his immediate family, attended by the aristocracy which was granted control over the collection of land revenue in designated areas in return for loyal support to their respective rulers (in theory at least), the provision of a specified number of armed men, and the performance of other duties of a semi-judicial and administrative nature" (Shrader, 1968, p. 23-24). The royal courts supported and encouraged the development of the arts of painting (especially miniatures) music, dancing and poetry. As cultural centres, the princely states fostered the growth of social customs focussed upon a courtly style of life, thus augmenting the sense of regional identity deriving from the Rajputs as a dominant caste.

Before the British came to India, each kingdom, however small had its own coinage, which created considerable difficulty and confusion for tradesmen and others. Since the Marwaris travelled widely they soon learned that it was to their advantage to buy coins in various places they visited and exchange

them in areas where they were legal tender. They charged bata (commission) for this money-changing but of course when the coinage was standardised they lost this source of income (Gadgil, 1959; Jain, 1929; Lamb, 1955; Anstey, 1929). Colonel Tod comments: "nine-tenths of the bankers and commercial men of India are natives of Maroodés and these chiefly of the Jain faith....All these claim Rajput descent, a fact entirely unknown to the enquirer into the peculiarities of Hindu manners" (Tod, 1914, p. 227).

Hence, Marwar, and particularly the Jaipur portions of it, became known as Baniaraj—the kingdom of the merchants. The nickname, however, has a sharp twist, hinting at the mutually lucrative benefits of speculation in war and state loans. The ties between them were symbolised in the annual Dasehra darbar, a ceremony in which the Maharaja of Jaipur gave audience to the seths at the City Palace. The ruler tied turbans round the heads of the leading merchants, who presented a tribute of gold, silver and precious stones. Ruler and ruled then discussed matters of mutual interest such as law and order, the state of the countryside, trade and taxation etc. This was repeated in all the local courts of the thakurs and maliks, ceasing only with the death of Maharaja Jai Singh and the integration of Jaipur into the Federal Union of India (personal communication HRH Maharani Gayatri Devi of Jaipur). It is interesting to note that Dasehra (October/November) traditionally opened the season of war which was terminated by the spring festival of Holi.

The ruling family of Jaipur regularly intermarried with the Moghuls in Delhi and Moghul influence of Jaipur became pronounced. Persian became the court language and was used for transacting official business. Marwari as the local dialect of Rajasthani absorbed many Persian words. In brief, a whole host of foreign items were integrated from the imperial

courts in Delhi and contributed greatly to the development of a cultural style which is—paradoxically—thought to be distinctly and essentially 'Rajasthani' in India. It is this Jaipuri version of being Rajasthani which the inhabitants of Mandi, like the inhabitants of Malwa, feel when they are "conscious of being inhabitants of a specific region of India which they consider to be superior to all others in climate and culture" (Mayer, 1960, p. 31).

With the exception of Ajmir and Tonk, where a resident Political Agent and Collector backed up by a small garrison advised the ruler, no area of the present state of Rajasthan experienced direct British rule, which had had important repercussions in the mercantile sphere. Westernised models of business behaviour made few inroads and in small towns like Mandi trade and commerce are carried out in markedly traditional ways. This has not been the case with those Marwari merchants who migrated to Calcutta at the turn of the century (Coren, 1967; Millman, 1954; Timberg, 1978; Kling, 1969). The Persian script is still used by some of the older merchants in Mandi, for example, and only a few have commenced keeping their ledgers in the modern, western style. This is possibly responsible for the commonly held belief that Marwari merchants use a secret language for commercial transactions (Erskine, 1908; Crooke, 1896; Ibbetson, 1883). In terms of social mobility, westernisation has scarcely begun to make itself felt. From the perspective of the present study, the debate about 'Sanskritisation' and 'Westernisation' as alternative and opposing models of upward mobility is not applicable. Choice of strategy depends upon indigenous binary oppositions of ideal behaviour, based on Rajput and Mahajan models. In Marriott's terms these are maximal and minimal transactional strategies, deriving from Kshatriya and Vaisya varna categories. In terms of local interactions the symbiosis between merchant and prince is an uneasy one. Rajputs



consider merchants to be kanjus (misers) who in turn perceive the former as badmash (hooligans), slow-witted and hot tempered, a dangerous and undisciplined mob.

There are two final points to be made here. A most important consideration is that because Rajputana was outside British India, it was and still is a backwater far removed from the centres of political power in the subcontinent. There was little public anti-British sentiment and actual confrontations were practically non-existent. Rajputana in general, therefore, was relatively inexperienced at political manoeuvring when it became part of the newly independent India and had no tradition of political party democracy and impartial bureaucracy as in the towns of British India. Such as there were, local government officials tended not to be regarded as public servants but as Crown Agents. Post-independence, the need for administrative continuity meant that many of the same faces lingered on in public service. This perpetuated local perceptions of divorce from decision-making and engendered cynicism as to their motivation. In Mandi, this uncertainty and ambivalence delayed merchant participation in politics for over a decade. A second point is that the fluctuating attitudes of the Indian Government towards the business community since independence (and perhaps even before), have done little to strengthen their confidence (Gupta, 1976; Erdman, 1975). The raids on affluent residences in India's big cities by the police during the Emergency received wide attention in the press and increased the mistrust of politics and politicians in Mandi to no small degree. Incentives to perform well in a mixed economy were offset by the crackdowns on 'black money'. Empirical evidence of actual hardship or victimisation locally is difficult to adduce in support of this assertion. However, the nature of the encapsulating political environment as perceived may be more important than it 'really' is here. The consequences can be seen in the

failure of the development programme which is discussed at length in chapter eight.

#### THE ADMINISTRATIVE FRAMEWORK

Mandi today as a small urban locality is a unit of local government and as such occupies a position in a complex administrative hierarchy.<sup>10</sup> The first level is that of the revenue village, a statutorily recognised village with a defined boundary and separate land records office. This revenue village is known as the mauza and the officer of the revenue department is known as the patwari.<sup>11</sup> As well as keeping land records as an adjunct for taxation, he is nowadays responsible for the registration of births, deaths and marriages. The second level is that of the tehsil, which generally consists of somewhere between 50 and 200 villages, plus a small town which is the headquarters of the tehsildar. In the case of Mandi tehsil there are 186 'villages' Mandi being the tehsil headquarters. Up to 15 tehsils (sometimes called talukas) form a district, and these again are grouped into the states. The head of revenue collection at the tehsil level is called the tehsildar and at the district level, the Collector. They have the additional responsibility of preparing lists of voters, supervising the boundaries of constituencies, both rural and urban, and administering the local and state elections. They are also responsible for adjudicating property disputes which is a most important feature of their powers in the context of this study.

Superimposed upon the hierarchy of revenue collection is the apparatus of rural self-government, sometimes called panchayati raj. Each revenue village elects a council and a representative or sarpanch to vote on its behalf at the monthly meetings of all the village representatives at the panchayat samiti, located at the tehsil headquarters. From

amongst themselves they elect a chairman, known as the pradhan. This is a key position in local government and elections are fiercely contested. The chairmen of these committees meet infrequently at the district headquarters with the Collector, and this meeting is called the zilla parishad. Thus the district coincides with the boundaries of the zilla parishad and the tehsil with the panchayat samiti.

The purpose of this hierarchy is to increase the pace of rural development. Under the Rural Development Act of 1953,<sup>12</sup> tehsils were made equivalent to one or more blocks for the administration of block development grants, each block having a Block Development Officer. His task is to promote rural development in consultation with the sarpanches. The panchayat samiti meets on the first Monday of every month and in contrast to the zilla parishad does have extensive executive powers. Nonetheless, the sarpanches are guided by the panchayat samiti bureaucrats, partly because they do not possess the financial powers to execute decisions without the approval of the Block Development Officer (Vikas Adhikhari or BDO) who administers the funds available for development. These come from a variety of sources, principally funds from the tehsildar which amount to 20% of the revenue raised from the tehsil and grants from higher authorities. Another reason for the sarpanches reluctance to initiate debates is because of their suspicion of officialdom. They are unsure of their grounding in dealings with officials and the possible consequences of confrontation.

The officials of the panchayat samiti are in theory the servants of local government and subordinate to local leaders. However, their superior and dominating attitudes towards villagers exhibit a persistent inertia.<sup>13</sup> Again, in contrast to the honorific nature of local leaders' positions, the officials are professional civil servants and receive monthly salaries, housing and travel allowances and a dearness allow-

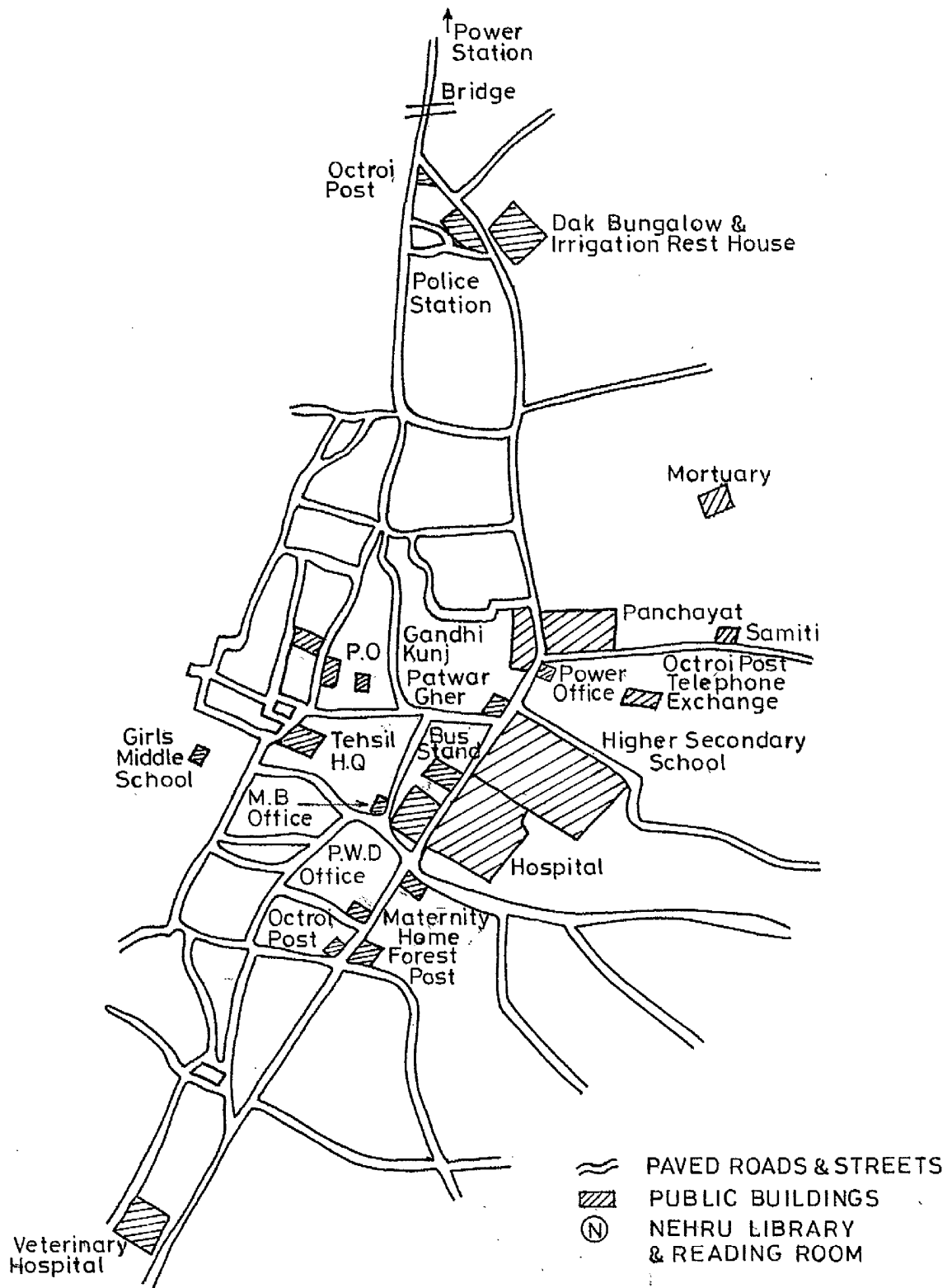
ance to cover cost of living expenses which is paid through the municipal authorities. The BDO patwari and tehsildar are members of the state administrative services and are responsible to the Chief Executive Officer in Tonk who is a member of the Indian Administrative Service, equivalent in rank to the Collector. The heads of the various departments associated with the block, such as the power station, water board, and the irrigation department are equivalent in rank to the BDO and like him, responsible to the state services. Not surprisingly these officials owe their loyalty to the external political processes.

Thus a plethora of administrative and executive functions are gathered together in one locality (see Map 1.3). Mandi has both a patwari and a tehsildar. It elects a sarpanch to the panchayat samiti and a member of the legislative assembly to represent the tehsil at the state legislature in the capital, Jaipur. Mandi as a municipality also elects a municipal board to deal with town affairs. Since 1944 Mandi has been a Notified Area, a designation conferring municipal status on the bazaar and requiring it to elect a governing body. The board is responsible for administering sanitation and water supply, roads and lighting and the general condition of the town, which includes the provision and supervision of the schools, hospitals, dispensary and the maintenance of public works.

The municipal board is guided and advised by an executive officer belonging to the state administrative service and responsible to the Chief Executive Officer in Tonk. The board presently consists of 13 directly elected members one from each of the wards into which the Notified Area is divided who must be residents of the wards which they represent. The board is chaired by an elected member and there is also a vice chairman. Both of these are chosen by the board which in practice

# MAP 1.3

## ADMINISTRATIVE FUNCTIONS



means selection by the majority political party.

Municipal officers are specifically excluded from competing in the rural political arena, not that they would be specially interested in doing so, for political leadership in rural development offers few prizes for townsmen as such. However, members of the board who belong to the farming and cultivating castes find the presence of the panchayat samiti in the town useful since this gives them access to a significant political resource. For merchants too the monthly meetings are useful, first because of the increased volume of trade on those days and second because of the increased circulation of information which it brings. The village headmen are often commissioned to buy goods in bulk by their rural neighbours, as they are believed to have more acumen in dealing with the merchants' tricky ways. These customers are particularly valued by merchants for their influence, knowledge and custom. Merchants therefore compete to secure the sarpanches as clients by offering credit at very favourable rates and in turn are assured that forward buying of crops will be on equally favourable terms.

Mandi then is a sort of middle ground where rural and urban interests meet and mingle. Such small bazaars act as nexes in the urban-rural flow of information, which, as I have argued elsewhere (Cottam, 1980) is by no means one way. In fact it might be argued that, instead of the urbanisation of rural India, possibly the post-independence period has experienced a contra-indication, the ruralisation of urban India. The continual presence in the bazaars of a variety of animal life certainly gives this impression. It may be mentioned in this context that a supreme act of ritual piety is for merchants to keep a cow in their havelis, or failing that to support one at the gaushalla.

## COMMUNICATIONS AND TRANSPORT

Mandi is a nodal point for several metalled and unmetalled roads. The metalled road between Jaipur and the district capital bypasses the bazaar. It bears a heavy traffic of buses and trucks and is one of the major highways from Delhi through the Deccan to South India. The former highway passes through one of the two main streets of the bazaar and is paved. It stretches from the police station and customs post at the northern edge of the town to the Grain Market (see Map 1.4). Here it intersects with the other main street, running eastwards to Jhillai, about ten miles away. From Jhillai the road goes on to Bonli, another small urban centre similar to Mandi but not as prosperous. The customs post on this route used to be sited where the road crosses what is now the highway but was moved in 1954 when the municipal boundaries were extended. Both the highway and the Bonli road are served by public transport, the highway carrying an average of 45 buses per day, approximately half of these being express buses through to Kotah. The third customs post lies well to the south of the built over area, near the veterinary hospital.

The surrounding hamlets are linked to the bazaar by a network of unpaved bridleways and footpaths, the more important of which have been indicated. For local transportation of goods and people camel or bullock carts are used and in the high season the main streets are crowded with them. Camel caravans still pass through the bazaars on their way from Afghanistan (at the time of fieldwork) to Central India carrying spices and salt.<sup>14</sup> In the cool weather there is more often than not a caravan in town, camping under the huge trees by the Block Development Office. Just to the south of the Bonli road is the truck stop and across the road are the offices of Mandi's four transport businesses. Trucks are used

to carry commodities to a maximum of about 250 miles. Further than that, rail transport is used. Mandi Junction is slightly under five miles to the north east of Mandi proper, about two miles via the bridleway marked Jaisinghpura. Two passenger trains and several freight trains stop here per day, linking the bazaar with Jaipur the state capital, four hours away, and Delhi, about 12 hours, via Madhopur. Connections can be made here to Indore and Gwalior though the journey is complicated and most people prefer to travel by bus.

No one in the bazaar possesses a motor car, although eight merchants have motorcycles/scooters which they use for business—such as delivering messages to Jaipur or debt collection in the nearby settlements. There is a post office in the Siklingaran mohalla (see Map 1.3) with both mail and telegraphic services, but sometimes exigencies require greater confidentiality. Four families possess telephone connections at home. This is not deemed essential by the merchant community. Indeed, the 78 other telephone connections are all at the place of business. This figure of approximately eight telephones per 1000 people may be compared with the national average of three telephones per 1000 people in 1972/3 (The World in Figures, Economist Newspapers Ltd., 1976). Possession of a bicycle is a status symbol amongst villagers, though not with the merchant community. This is true also for transistor radios. Bicycles may be hired from one of the two bicycle repair shops by Gandibagh and are used principally by villagers for conveying goods home.

68 daily newspapers are on order from the paanwallah (tobacconist) near the truckstop, of which 11 are in English and with a national distribution. The paanwallah keeps an additional stock of two dozen dailies to sell to truck drivers, bus passengers and passing trade. At certain times of day a small crowd collects to drink tea in the nearby dhabbas



and someone is prevailed upon to read aloud from the Hindi newspapers.

Hence although spatially compact and geographically isolated, the bazaar nonetheless is tied into a regional, national, and international communication system. Mandi as a settlement may occupy a less than central position in a remote and peripheral region, but extensive trade connections of a supra-local and supra-regional nature keep the local community in touch with a wider world. Most merchants leave Mandi at least once a year, though on average about half a dozen times for business trips. They go as far afield as Gwalior and Delhi (about 200 miles) Indore or even Ahmedabad (about 300 miles). Various individuals have been on pilgrimage to Hardwar and during the rainy season small outings are arranged to pilgrimage sites such as Chatsu or Padampura. More controversially, one son from each of the four scooter/telephone families has been sent out for higher education in Jaipur University. This is emphasised, since it is important to realise that the social isolation of the merchant community does not depend upon geographical isolation, lack of sophistication and ignorance of a wider world. In endeavouring to understand the negative response to planned economic change other answers must be sought.

#### THE BAZAARS

Tiny shops are packed tightly together along the two bazaars, offering an immense variety of goods and services. According to the time of year, the shopkeepers appear grossly over- or underemployed. In the cool weather there is enough trade to satisfy everybody but in the hot weather shopkeepers lounge day after day by their moneyboxes on the chance that a customer might wander in. The truth of the matter lies somewhere in between. The idleness of the shopkeepers in the summer

months and the complete disappearance of petty traders then underlines the dependence of the bazaars on a rural time scale. It also illustrates the severe competition operating at the bottom end of the market. Hawking and petty trading requires a very small capital investment, therefore there is no shortage of personnel trying to exploit this economic niche.

At the height of the season, between October and early March, the town is full of people. Along the Chauhati Bazaar camels, ox carts, trucks and pedestrians compete for access. Occasionally circulation comes to a standstill, particularly round the Sabzi Mandi where ox carts bearing vegetables for sale meet up with camel carts bringing in the oil seeds and food grains for auction on the Bakra Mandi and trucks bearing away the auctioned grains to the big cities. On busy days hawkers line the street on both sides adding to the acute congestion by thrusting into the faces of passers-by bunches of onions and strings of chillies. These hawkers represent the lowest rung on the economic ladder. They are almost never from the traditional merchant castes nor from Mandi and its environs. These people are transitory visitors, whose economic existence is so impermanent that they cannot (or will not) pay the very small fee of Rs. 0.5 per day for a regular stand at the Vegetable Market or by the Bus Stand. Mostly they deal in vegetables but other comestibles are offered such as namkin (savoury snacks) and spices. Although they add immensely to the clutter, actually they form a small part of the economic life of the town both by value of trade and numbers involved.

The next rung on the business hierarchy is occupied by the semi-permanent traders or rehriwallahs who have a regular pitch along the bazaars. In contrast, these people do tend to come from Mandi or the adjacent hamlets but they too do not usually belong to the merchant castes. Compared with the

hawkers, the petty traders carry out a greater variety of economic functions. At the junction of Chauhati Bazaar and Chaturbhuj Bazaar a group of Chamar (shoemaker) boys perform on the spot shoe repairs. Further along by the Sabzi Mandi there are snack-sellers and tea-makers who cater for the vegetable sellers and their customers from home-made bicycle barrows. At the corner of the post office gulli Chamar women sell ready made Rajasthani shoes. Still further along the Chauhati Bazaar there are colonies of Lakharias (banglemakers) who periodically come to blows with the jewellers (sonars) upon whose trade they impinge and in front of whose shops they pitch their stalls. By the entrance to the Siklingaran gulli is a small mohalla of the Chipas who make the tie-and-dye saris and turban cloths which are the speciality of this region. Finally, at the end of this bazaar, at the intersection with the Kumharan gulli there are more vegetable sellers piling up heaps of carrots, cabbage and horseradish around the rim of a well. These are all winter crops and the sellers, like the vegetables, disappear in the hot weather.

The second concentration of semi-permanent traders centres upon the Bus Stand but overflows along the highway. It caters largely for travellers on the interstate bus services or long-distance truck drivers. Typical commodities include aspirin and magnesia tablets, homeopathic remedies, books and magazines, ice cream and sweetmeats, soft drinks, and illicit beer and wine. Haircuts and laundering can also be obtained 'while you wait'.

Like their counterparts in the Chauhati Bazaar, these rehriwallahs or barrow boys often have an arrangement with neighbouring merchants. The latter will usually supply rudimentary banking facilities such as giving change and providing overnight storage of valuables for a few rupees per month, sometimes offering credit facilities. Through time the rela-

tionship may become fairly reciprocal, though asymmetrical, with the merchants providing protection from harassment by the police and municipal authorities, who periodically clear the area, and the barrow boys providing a security force against thieves. The use of private gangs from the Bus Stand area instead of the usual forces of law and order is an occasional feature of quarrels amongst the merchant community.

The dividing line between the hawkers, petty traders and the shopkeepers is thus both social and economic in nature. Status differentiation based on patron-client relations is dynamically reinforced by caste difference. Unsuccessful shopkeepers may be as financially insecure as semi-permanent traders and hawkers and in turn be in a similar relationship of dependency upon the credit of successful shopkeepers. However, they do not experience the same sense of social inferiority and economic marginality. Every merchant, no matter how humble, feels that with luck he could become a lakhpatti (millionaire).<sup>15</sup> This is because he has access to specialised knowledge and the web of credit relations where others are excluded. It is also his birthright, and success is 'in his blood'.

The shops are open-fronted and raised high off the street. Potential customers climb up four or five steps, kicking off their shoes at the bottom, and pause on the verandah before being invited to 'come and sit' inside. The interior of the shops matches Fox's description of Tezibazar (Fox, 1969). A white cloth is spread on the floor and this is called the gaddi. White padded mattresses are arranged along the side walls, facing the foot high counter, behind which the shopkeeper sits with his cashbox. In some shops low benches have replaced the mattresses but these are also covered with a clean white sheet. Inside, the atmosphere is serene and tranquil and surprisingly cool, even in the hot weather. Partly this is due to gently rotating overhead fans and partly the

effect is psychological, induced by the sweet smell of incense, or the heady perfume of mahua flowers garlanding religious pictures, and the dimness and quiet after the glare and noise of the streets. The effect is similar to entering an Oxford quadrangle on a hot summer's day: a sudden drop in psychic energy, quite hypnotic in its intensity. Thus just a metre or so away from the hustle and bustle of the two main bazaars is a separate world of peace and calm, contrasting sharply with the aggressive hard sell techniques of the hawkers. It is also a secret world, where men dressed in immaculate white dhoti-kurta and pink turbans discuss discreetly together the affairs of far distant places. Wearing white (safed poshnaa) has connotations of religious learning and high ritual status in North West Hindustan, and this reinforces the impression of a para-ethnic strategy for managing separate—and superior—identity. This will be discussed in more detail in chapter four.

#### WARDS AND NEIGHBOURHOODS

The District Handbook demarcates eight wards in Mandi.<sup>16</sup> These are local government constituencies and are not named. Except for elections, they have no significance for the inhabitants. Sometimes they coincide with socially recognised mohallas (neighbourhoods) but mostly they do not (see Table 1.2 and Map 1.4). Frequently the neighbourhoods and boundaries demarcated by the Notified Area differ from local usage, which tends to link mohallas with traditional occupational categories and therefore a caste-based spatial hierarchy. With the exception of the ethnic subsections for the Sindhi immigrants, and the religious subsection for the Muslims, all the socially recognised neighbourhoods have an occupational basis. Therefore, where more than one occupation is linked to a locality its designation may vary. In general, though, the more prestigious mohallas are located in the centre of the bazaar area

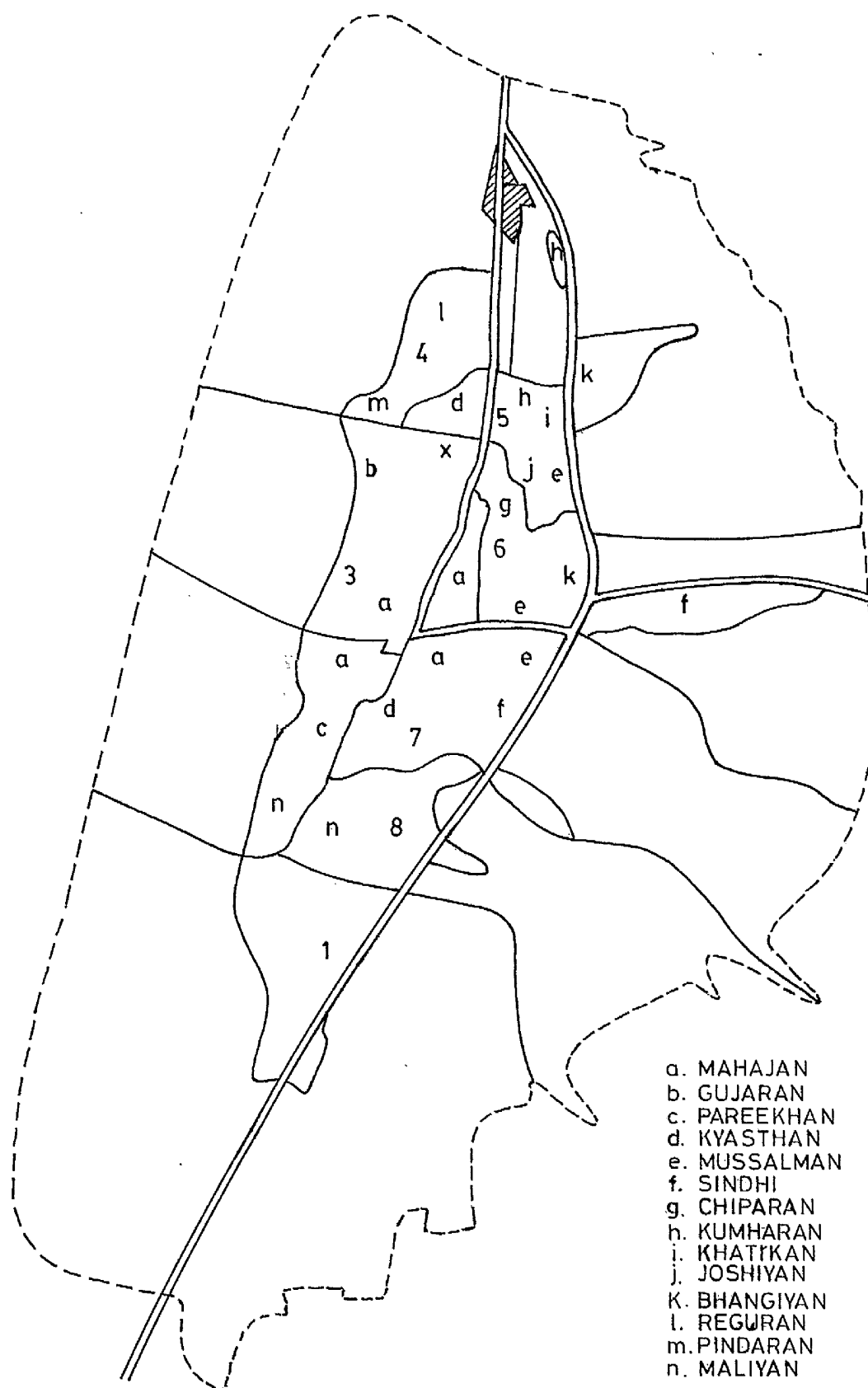
TABLE 1.2

## WARDS AND MOHALLAHS

Ward	Town Mohallahs		Rural Mohallahs	
	Official	Non Official	Official	Non Official
One	Maliyan	None	Govindpura	None
			Kariya	None
			Gudha	
			Anandpura	None
			Chak	
			Vijaipura	None
			Barthal	None
Two	Joshiyan	Pareekhan c Kyasthan d Mahajan a	Bishanpura	None
			Khandewat	None
Three	Gujaran	Gujaran b Sikligaran Mahajan a	Jhujhar- pura	None
Four	Reguran	Reguran l Pandan Pindaran m	Chorpura	Chorpura
Five	Kumharan	Kumharan h Khatikan i Joshiyan j Bhangiyani k	Jaisingh- pura	Jaisingh- pura
Six	Chamaran	None Chiparan g Sindhi Colony f Mussulman e	Jagalpura Kalan	None
Seven	None	Mussulman e Kyasthan d	Gopinath- pura	Gopinath- pura
Eight	None	Maliyan h	Hameedpura	None
			Ramsingh- pura	Ramsingh- pura

N.B. The character after the place name refers to their respective mohallahs.

MAP 1.4 MANDI NOTIFIED AREA,SHOWING WARDS & MOHALLAS



and the less prestigious toward the periphery. The Notified Area also recognises certain mohallas within its boundaries which the urban inhabitants do not. These are the villages of Jaisinghpura and Ramsinghpura, as well as the artificial rural mohallas principally within Ward One. The most important socially designated mohallas are:

a) Mahajan mohalla

This neighbourhood occupies the highest status locality, centering around the Grain Market, the largest Hindu temple, and extending along the two principal bazaars. Its name means 'the merchants' mohalla'. Mostly it is synonymous with Ward Three, but spreads across the electoral boundaries into adjacent parts of Wards Two and Seven. This mohalla contains the most profitable business and the largest and newest mansions of the merchants (havelis) which, with their massive wooden doors and strongly barred windows, testify to the affluence of their inmates. Popularly designated sub-sections include the Sabzi Mandi or vegetable market, Chauhati Bazaar a mixed shopping area, and the Chaturbhuj Bazaar, where the grain auctions are held. The mohalla also includes two temple schools offering traditional instruction, all three banks, and the Post Office.

b) Gujaran mohalla

This backs on to the Mahajan mohalla. Formerly this was the market for sheep and goats (Bakra Mandi) and a camping ground for pastoral nomads—such as the Gujars—during the winter months. Travelling singers and dancers, tinkers and the infamous male prostitutes of Rajasthan camp on the open space by the two tanks built by Naruka. There is a dharam-shalla, a Ramlila ground and a house of female prostitution, the oldest mosque and a very ancient Hindu temple. By the side of the tanks are the grave of a Muslim saint and a memorial to the suttee of a Rajput princess in the fifteenth century.



c) Pareekhan mohalla

This is the oldest and previously most prestigious neighbourhood, a closely developed labyrinth of lanes south of the Mahajan Mohalla and adjacent to Naruka's Palace. The main activity is the pursuit of religion, though there is a concentration of small kirana stores along the lane leading from the Chaturbhuj Bazaar to the old Jain temple. These sell bangles, cosmetics, cheap jewellery, combs and mirrors to the many women who pass that way. It is still a high caste locality and its ritual connotation (Pareekhs are the traditional Brahman priests for the Naruka clan of Rajputs) make it attractive to the religious minded merchants. Many of the local government officials are housed in the area. However, the merchant population is moving outwards and its status is declining.

d) Kyasthan mohalla

Like the Pareekhs, the Kyasths (scribes) and Siklingars (weapon-makers) have vanished with the disappearance of the thikanna. The place name has a diminishing value, maintained only by the continued association of the locality with political power. The Kayasthan mohalla houses the tehsildar's office and court, the Municipal Board office, the Public Works Department, the Library and Reading Room and the Bus Station. Across the highway are the Hospital and Dispensary, the Women's Hospital and the panchayat samiti. Sandwiched between the Higher Secondary School (for boys) and the Sindhi colony is a dharamshalla. Mixed in with these administrative functions are sizeable pakka houses and a few small businesses, though these decrease rapidly in size and prosperity away from the main thoroughfares.

e) Mussulman mohalla

This forms an enclave in the Kyasthan mohalla and extends

across the Chaturbhuj Bazaar to cover most of Ward Six. The larger of the two mosques is located here (the other being by Naruka's kunds) along with the patwari's office (the old octroi post) the Central Cooperative Bank and the Telephone Exchange. The Municipal Gardens have been built over the site of the old caravanserai and its walls incorporate part of the ancient fortifications. Practically all the bazaar's Muslim population live here. It is a curious mixture of tenement slums and the spacious havelis of those rich people unable to find space nearer the centre. These hug the boundary of the Mahajan mohalla as closely as possible in order to minimise loss of prestige. The neighbourhood includes sizeable communities of Sindhis and a small outpost of scavengers (Bhangis) who live in a clump of mud huts behind the patwari ghar.

f) Kumharan mohalla

As well as the potters, for whom it is named, this neighbourhood includes the homes of a variety of artisan castes. These give their names to subsections of the locality such as the Khatikan mohalla (carpenters) the Chiparan mohalla (dyers) and Joshiyan mohalla (astrologers). Here, in close proximity live barbers, blacksmiths, butchers, weavers, bangle-makers, silversmiths, stonemasons and so on. The highway separates the artisan castes from the major settlement of the scavengers, the Muslim graveyard, the Hindu cremation ground and the rubbish dump.

To the north of the Kumharan gulli (potters' street) is the Jhillai Bagh, previously the mustering ground for the thakur's feudatory army and now sheltering the new Jain temple in one corner. North again is the Police Station, on the site of the old thana, the Dak Bungalow and the thakur's palace. Over the river is the gaushalla (shelter for cows) and one of the three orchards left to the Thakur. This is a most holy

area, with seven sacred springs (three hot, four cold), three exceedingly ancient temples and a monastery. By the side of the monastery is a large tank filled with sand, which possibly gives credence to the legend that Mandi was destroyed by a sandstorm in its old location.

g) Reghuran mohalla

This mohalla, like the Kumharan mohalla is a mixture. It contains Minas and Bhils (tribal people, the autochthonous inhabitants of Mandi) some poor Muslims and Sindhis, in addition to the leatherworkers who give their name to the neighbourhood. This is the abode of the very low castes, the untouchables, and the poverty stricken, such as stonebreakers, drummers and woolcarders (Pindaras). The Pindaras historically were a caste of thieves and robbers, whose connotation persists in the designation Chorpura (thieves' village) for the rural portion of Ward Four. Looking down over the mohalla is the fortified encampment of a legendary dacoit called Dadu Kor, who was so strong that he could shoot an arrow all the way to Jhillai. It is reached by a track which eventually leads to the big fort on top of the mountain.

Between the Ragunath Temple and the Reghuran mohalla proper is an industrial zone, where the soap factory, the candle factory, six of the 13 oil mills and all four of the flour mills are situated. For the most part, however, it consists of formless masses of one, two or three roomed houses without electricity, or sanitation. This, too, is the only neighbourhood without paved roads, merely spaces between the houses where rubbish is discarded and pigs and dogs wander at will. Not surprisingly it has a bad reputation.

h) Maliyan mohalla

This outer zone is not permanently built over or inhabited and for large tracts is not even named. It is an area rather

than a neighbourhood, and such a name as it has derives from the gardener caste, who have also fallen on hard times with the diminution of influence of former feudal patrons. Within its limits are the Forest Post, the Veterinary Hospital and seven oil mills. There is another dharamshalla, four temples and innumerable sacred trees and springs. These are the preserve of local deities, reinforcing the impression that this is primarily a rural place and only recently incorporated into the Notified Area. Making the place even more desolate are half a dozen ruined havelis which are believed to contain hidden treasure guarded by ghosts.

Thus, the importance of Mandi as a trading centre is substantiated by the distribution of the various castes through the mohallas of the town. Unlike western towns and cities, the separation of the prestigious residential areas from the commercial areas is by no means clear cut in Asia, yet the social factor is crucial. The inner zone of Indian cities is characterised by a high density of population and high income and high status communities, whereas western cities exhibit a low density of population and low income and low status groups resident in the core area (Singh, K.N., 1961; Singh, R.L., 1955 & 1957). It is easy to deduce that the Mahajan (merchant) community not only dominate business generally but also predominate in the most profitable businesses. In fact, they comprise if not the largest, certainly the most influential and wealthiest segment of the population. They almost monopolise the trade, commerce and industry of the bazaar. To describe their social organisation is to all intents and purposes to depict the social organisation of Mandi.

#### SUMMARY

In the foregoing pages the locational characteristics of Mandi have been described. The natural possibilities of the environ-

ment have resulted in an historic pattern of long distance trade typical of arid/semi-arid zones, augmented recently by the development of small-scale industry. Location on a major highway and proximity to the railway, coupled with an acknowledged entrepreneurial ability deriving from a tradition of mercantile activities have encouraged the State Government to offer inducements towards further industrialisation. The failure of externally directed planned economic change will be discussed in chapter eight. A third consequence of its regional situation has been a disturbed political history and initial unfamiliarity with the electoral processes of a modern democratic state at the time of independence. Merchants uncertainty with and hence mistrust of politics and politicians, it was argued, has been increased by the ambivalent economic policies of the Central Government, exacerbated by the publicity given to tax raids and so on during the Emergency. Discussion of the administrative framework revealed a complex intersection of rural and urban political functions centralised in the town. Introduction of the theme of economic dominance in the bazaars suggested that separate and superior identity for the traditional merchant castes resembles ethnic exclusivity, a major theme which will be pursued in chapter four. Lastly, the depiction of the residential divisions or neighbourhoods of the Notified Area and their link with traditional occupational specialists reveals the concentration of merchants in the prestigious central area and the exclusion of less dominant groups to the periphery of the settled area.

## CHAPTER TWO

### THE SOCIAL CONTOURS

#### INTRODUCTION

In the introductory chapter the necessity for a contextual approach in the analysis of ideas and concepts was stressed. The purpose of this chapter, therefore, is to outline the social contours of the town in order to provide a social setting for later chapters. The title 'social contours' is intended to imply that the attempt to construct the outlines of the demographic characteristics of the town is like the cartographer's task in reducing the topographical features of the land into a series of marks on paper. In doing so a model of reality is attempted, which necessarily sacrifices detail for clarity. Hence the chapter is divided into three sections which have been chosen to illustrate the essential characteristics of social life in the urban settlement. These are the basic demographic features, the urban caste framework and lastly the changing patterns of patron-client relations.

#### BASIC DEMOGRAPHIC FEATURES

The population of Mandi stood in 1971 at just over ten thousand people (10,198) composed of 5,484 males and 4,714 females, living in the 0.42 sq. kms. which form the Notified Area of the town.<sup>1</sup> This skewed sex ratio is typical of the district as a whole which is 910 per 1,000. The population is distributed into 1,861 occupied residential houses, making an average of just over six persons per household. The overall total includes 2,265 persons classified as belonging to Scheduled Castes and 118 persons belonging to Scheduled Tribes, together forming about 25% of the whole. By religion,

74% of the town is Hindu (7,471), while Jains form 14% (1,386) and Muslims 13% (1,339).

The rapid growth of the town, which has doubled within 30 years, is shown by Table 2.1 below. This gives decadal variations in population totals which may be compared with a national growth rate of 2.5% on average since independence (Economist Publications, 1976). Clearly growth rates of 36.22% and 22.62% locally far exceed what might be reasonably anticipated by natural means and illustrates the significance of migration as a basic demographic feature of the town.<sup>2</sup>

TABLE 2.1

DECADAL VARIATION IN POPULATION  
SINCE 1901

Year	Total	Decadal Variation (%)
1901	4,432	
1911	4,730	+ 6.72
1921	4,042	- 14.55
1931	4,834	+ 19.59
1941	5,586	+ 15.56
1951	5,079	+ 8.83
1961	8,317	+ 36.82
1971	10,198	+ 22.62

Source: Figures based on Rajasthan District Gazetteers (New Series); Town Handbooks

According to the 1951 Census the number of displaced persons in the district was 2,936, all of whom came from (then) West Pakistan. Of these, the majority, to be precise 41.1%, were traders and the impact of this migration into Mandi is to be found in the group of traders known as 'Sindhi'. No

official figures are available on urban ethnicity, although field surveys revealed 23 Sindhi households, possibly totalling about 140 individuals. Other than this major population movement it seems likely that the bulk of other migrants originate in Rajasthan itself or adjacent districts of neighbouring states.

The expansion of the urban population has resulted in an excess of population over available housing which is numerated in Table 2.2. This may be compared with Map 2.1 which gives the ward-wise density of population.

TABLE 2.2

WARD-WISE DISTRIBUTION OF HOUSES AND  
HOUSEHOLDS

Rank No.	Ward No.	Occupied Residen- tial houses	Occupying House- holds	Excess of Households over houses
1	Eight	418	440	22
2	Four	372	375	3
3	Three	230	231	1
4	Seven	208	217	9
5	Two	183	200	17
6	One	164	169	5
7	Six	157	159	2
8	Five	129	132	3
Total		1,861	1,923	62

Source: Figures based on Rajasthan District Gazetteers (New Series), Town Handbooks



The excess of households over occupied residential houses is 62, greatest in Wards Eight (a low status area) Ward Seven and Ward Two (mixed status). The latter two wards abut onto Chaturbhuj Bazaar and lie south of the prestigious residential area. It is possible therefore that multioccupancy in these zones is due to the movement of the more affluent Mahajan population northwards into Ward Three (a trend most marked, as discussed above, from Ward Two) leaving behind their old havelis for occupation on rent or by lease. Other wards reveal much less multioccupancy, the lowest ratio being Ward Three.

Landlords are an influential social and economic category, and property ownership is a critical criteria in the transition to socially recognised status as an elder of the merchant community. However, we may add that concentration of property ownership in the hands of the merchant community is beyond doubt higher than these general figures reveal. A common strategy amongst the wealthiest and largest families is to divide property for taxation purposes between the names of nuclear families within the co-resident minimal patrilineage, as if the 'joint family' no longer existed as one unit. This effectively masks the extent of individual patrilineages' holdings within the Notified Area and only in a few instances were merchants prepared to reveal the amount of property they possessed. Examples will be given in the subsequent chapter which deals with the theme of economic dominance in more detail.

The impact of long distance trade and the recent immigration into the town is reflected in the variety of languages and dialects spoken in Mandi. No figures are available on linguistic affiliation in the Notified Area. However, the principal languages spoken in the district are Hindi, Urdu and Rajasthani, which sub-divides into at least 16 major

dialects, which can be grouped into Marwari, Jaipuri, Mewati and Malwi. In Mandi the impact of Gujarati on Marwari as a spoken language is noticeable (Marwari also has a written language possessing its own script and is sometimes written in Persian). Other languages spoken in the district include Afghani, Sindhi and Punjabi—in sizeable numbers—and of very minor significance are Malwi, Marathi, Nepali, Bihari, Tamil and Telugu. The number of speakers of these is no more than one or two. Language is critically important as an indicator of group identity and the association of merchants with Marwari is a distinguishing feature both inside and outside Rajasthan. The significance of this in the process of identity formation will be discussed in greater detail in chapter four.

Though ruled by Muslim (Pathan) Nawabs the majority of the inhabitants of Tonk State were Hindus. According to the 1941 Census, in towns the Hindus formed about 45% of the total population, but in the areas of Jaipur State (essentially Mandi pargana) now forming part of the district the Hindus were in an overwhelming majority.

The Muslims in Mandi belong entirely to the Sunni sect, as far as can be ascertained. The Imperial Gazetteer states that "if in matters of creed they are Muhammedans, in matters of form they are Hindus" since "local saints and deities are worshipped and amongst Muslim converts the Brahman officiated side by side with the Mussulman priest" (Erskine, 1908, p. 115). If so in the past, this is not the case today as the influence of the Wahhabis (a fundamentalist sect of Islam) has been pronounced. The Muslims of Mandi, at the time of fieldwork at least, have taken on something of the quality of a minority group. There is a selfconscious unity amongst them, which finds its expression in the use of Urdu and the denial that caste exists within the Muslim community. This is exaggerated by their proximity to 'caste-ridden', Hindi-speaking

Hindus and can be seen as an attempt to preserve group identity.

The Jains are an essentially urban population, two-thirds (66%) of the Jains in Mandi tehsil residing within the Notified Area of the town. This may be compared with less than one-third (31%) of the Muslims and just over one-tenth (12%) of the Hindus. At district level the proportion of urban Jains to total Jains slips to approximately 40%, whereas the proportion of urban Muslims to total Muslims increases to 64%, and the proportion of urban Hindus to total Hindus remain approximately constant at 13%. This illustrates the predominantly Muslim character of the City of Tonk, capital of the former princely state, and the association of Hinduism, in the main, with the rural population and hence with agriculture. The slightly higher proportion of rural-dwelling Jains at district level can be explained by their role as village shopkeepers and travelling salesmen, conducting their trade from bullock carts. In subsequent discussion, these people will be referred to as village Mahajans.

The main Jain sects in Mandi consist of the Digambara whose images of Mahavira are unclothed, whose ascetics are naked, and who assert that women cannot attain salvation and the Svetambara, who hold the opposite view regarding women's status and drape their images in white. The Dhundia are an offshoot of the latter, though carry the common doctrine of ahimsa (non-violence) to extremes, and follow the teaching of gurus, who may be female. No figures are available on the breakdown of sectarian affiliation amongst the Jains, but informants asserted that the three sects were approximately equally divided in their followers. Jainism is a renunciatory sect, closely akin to Buddhism, but more extreme with regard to ascetic behaviour and the preservation of animal life.<sup>3</sup> Unlike Buddhism and other renunciatory sects, the model for

the monk, or guru, is also applicable to the layman. Jains are enjoined not only to vegetarianism but also to a detailed and fastidious taxonomy of appropriate behaviour, too complex to reproduce here, though examples of dietary restrictions in operation locally are given in chapter four.

Other than a small monastery of Buddhist monks (107) on the periphery of the Notified Area, the rest of the population is Hindu. As elsewhere, Hinduism covers a variety of sectarian divisions, varying from beliefs in sacred places, trees and rocks, in matajis (female spirits) such as the 'seven sisters' responsible for cholera, smallpox and cattle diseases, in magic, witchcraft and spirit possession, to the orthodox traditions of scriptural Hinduism. As in Gujarat (Pocock, 1976) the trading community is associated with the Great Tradition and in particular with Vallabhacharya Vaishnavism. This is a bhakti cult, devoted to the practice and development of the love of the deity, in this case Vishnu incarnated as the infant Krishna. As Dumont points out (1972, p. 236) the Jain influence "would account for the vegetarianism", and also for the aspect of renunciation (or 'non-attachment'). Again, like the Jains, Vaishnava worshippers form groupings attached to a spiritual guide or guru, who visits them occasionally and whom they financially support.

Although, in theory, caste and sect operate on quite different levels, there is a tendency for the sect to appear caste-like, so that each of the merchant castes tends to subdivide into sect-based segments, some but not all forbidding intermarriage with other divisions and hence mutating to resemble subcastes. Thus there are Khandelwal Vaishnavas and Khandelwal Jains (prohibiting intermarriage) and Agrawal Vaishnavas and Agrawal Jains (permitting intermarriage). The sect itself is not a basic endogamous unit.

## CASTES IN AN URBAN CONTEXT

At this point it seems relevant to define what is meant by 'caste'. According to Hunter and Whitten (1976, p. 68): "This term refers to a hereditary endogamous group of people (or a collection of such groups) bearing a common name and having the same traditional occupation". In strict usage, they assert, the term only applies "to the traditional closed system of social stratification in India, where all status distinctions are ascribed according to circumstances of birth, where the castes are arranged hierarchically, and where the entire system is interwoven with and legitimated by the Hindu religion". It is worth comparing this with Davies (1972, p. 45) who notes that the term was first used by the Portuguese in Goa in the sixteenth century and "refers particularly to the Indian social organisation based on the religious beliefs in the supremacy of the Brahmin with rigid ranking according to birth, leading to restrictions on occupation and marriage."

I have deliberately chosen two non-specialist definitions of caste as a basis from which to discuss the caste system in Mandi, since the proliferation of definitions by South Asian specialists is such that it is extremely difficult to discover any generally accepted terminology. Since my topic is not primarily concerned with caste or the caste system, it seems justifiable to restrict comment, especially in view of the voluminous literature on the subject (see, for example, the bibliographies of Kanitkar, J.M., et al, 1960; E. Von Fürer-Haimendorf, 1964). However, it would be overambitious to attempt a study based in India which avoided the terms altogether. Hence the discussion which follows is consciously limited to the bare minimum in its scope.

As a working definition, looking again at the main points covered, it may be asserted that a caste is an endogamous,

hereditary social group, which has a name and a particular combination of social, economic or religious practices that award each caste a relatively static position in the social hierarchy. This would appear to approximate to those social units which in Mandi are called jati (usually translated as caste), whilst avoiding the rigorous identification of caste with Hinduism which poses problems in dealing with Jain and Muslim jatis.

No one knows how many castes there are in Mandi and estimates run to about 40 or 50. Table 2.3 gives a list of all the jatis with whom I came into contact during fieldwork and who were residents of the Notified Area. It would have been impossible to attempt a complete census of all the mohallas in the time available. Some of them are represented by no more than a few households altogether and the most significant groups according to the town directory are (in descending order) Mahajans, Jats, Chamars, Minas, Gujars, Bhils, Shaikhs and Pathans.<sup>4</sup> The traditional occupational speciality of each caste, or its customary association with an occupation locally are indicated. Where more than one occupation is listed it is to be understood that the last is the current occupation. This applies especially to the tribals.

At the top of the Hindu hierarchy, traditionally, are the Brahmans who officiate in all ceremonies and are recompensed by dakshina (alms). In the past the land owned by them was exempt from taxes. The Brahmans have a working knowledge of Sanskrit and are consulted for auspicious dates for marriages, journeys, business transactions and so on. Associated with them occupationally are Joshis and Vedhs, who also are acquainted with scriptural knowledge, diagnose problems on the supernatural plane and prescribe spells and amulets, and the genealogists, though they are not Brahmans and form separate endogamous units.

TABLE 2.3

CASTES AND TRIBES RESIDENT IN THE  
NOTIFIED AREA

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RITUAL SPECIALISTS  
(and allied castes)

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Brahman (priest)		Syed
Vedh (apothecary)		Sheikh
Joshi (astrologer)		Qureshi
Bhat (genealogist)		Fakir (wandering mendicant)

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LANDOWNERS

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Rajput (thakur)		Pathan (khan)
Jat (farmer)		

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MERCHANTS

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Agrawal	Agrawal	Sarafa (bullion dealer)
Khandelwal	Khandelwal	Bohra (financier)
Maheshwari	Oswal	

---

TRADESMEN/CRAFTSMEN

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Sonar (goldsmith)		Sunhar (goldsmith)
Lakharia (banglemaker)		Manihar (banglemaker)
Lohar (blacksmith)		Lohar (blacksmith)
Halwai (confectioner)		Halwai (confectioner)
Darzi (tailor)		Darzi (tailor)
Kyasth (scribe)		Siklinghar (armourer/ knife sharpener)
Teli (oil presser)		Patthar (stonemason)

(Contd...)

TABLE 2.3 .... Contd

## TRADESMEN/CRAFTSMEN

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Kumhar (potter)		Kumhar (potter)
Khati (carpenter)		Khati (carpenter)
Chipa (dyer)		Bharbhunja (grainparcher)
Balai (weaver)		Barai (weaver)
Khatik (butcher)		Qasai (butcher)

## SERVICE CASTES

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Nai (barber)		
Dhobi (washerman)		
Mali (gardener)		
Bhand (singer)		
Reghur (leatherworker)		Paldar/Kalal (wineseller)
Chamar (shoemaker)		Mochi (leatherworker)
Bhangi (sweeper/ scavenger)		

## TRIBAL

<u>Hindu</u>	<u>Jain</u>	<u>Muslim</u>
Gujar (herdsman/ farmer)		Meo/Mewati (Muslim Mina)
Mina (robber/farmer)		
Bhil (witchfinder/ distiller/farmer)		
Pindara (robber/ woolcarder/ropemaker)		
Koli (basketmaker)		
Nat (acrobat/prosti- tute/tattooist)		
Kanjar (basketmaker/ birdcatcher/labourer)		
Katuga (beggar/scavenger)		

(Contd....)



TABLE 2.3 .... Contd.

## OTHERS

Sindhi ('business')  
 Maratha ('business')  
 Gujerati ('business')  
 Bengali ('business')

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N.B. The ordering of categories in the above Table is not meant to represent a fixed status hierarchy. However caste in Mandi, as elsewhere, denotes an allocation of status ranking which, although not entirely static, reflects a tendency towards a paradigmatic model of social stratification which is stochastic. That is, with exceptions noted below, recruitment is by birth into an hereditary, endogamous, occupational unit, effectively setting probabilistic limits upon social mobility.

Next come the landowners (zamindars) who in the Jaipur region as a whole are still the dominant caste by virtue of their actual or fictive agnatic relations with the central ruling lineage, or their position as landed nobility, or as the kinsmen of ruling chiefs. The Rajputs, though landowners, are not cultivators and prefer pastoral to agricultural activities, looking upon manual labour as humiliating. Nowadays all the Rajputs of Mandi and its environs have lost their land and the Thakur works as a night-watchman for the panchayat samiti. Neither they nor the Brahmans are well-represented in the town, as residents or in business, and many have left the area in recent years. The Jats are agriculturalists and are in fact proud of being tillers of the soil. Socially, they are very similar to the Rajputs, with whom they will eat and drink, although occupying a slightly lower position on the caste hierarchy and occasionally intermarry. They are politically important, both at local and State level which has thrust them into prominence in recent decades.

The merchants or Mahajans are for the most part traders and bankers, some having business connections all over India and others having entered State service historically and at the present time. The jatis living locally are Agrawal, Khandelwal, Oswal and Maheshwari. The former two are divided more or less equally by sectarian affiliation as described above, but together comprise the wealthiest and most powerful castes in Mandi, with a controlling interest in the business and property-markets and hence wielding a preponderant amount of influence over town affairs. Mahajans usually deny Rajputs and Jats a superior social status on the grounds that they consume tobacco, meat and alcohol, keep mistresses or are polygamous, and in the case of the Jats take brideprice instead of dowry and permit widow re-marriage, frequently leviratically. They often deny the superior status of Brahmans since they work for other people, and accept food at feasts and temple offerings from the hands of low castes which is polluting. This is especially true of Jains, whose priests officiate for the members of the Dhundia and Swetambera sects as the Brahmans do for the Hindus, and hence supersede them, but do not form an endogamous sub-caste because of their celibacy.

The craftsmen are a mixed bag, some like the Sonar, Lakharia, Craftsmen, Lohar and Halwai being relatively wealthy and are placed quite high in social status and some like the Chipa, Balai and Khatik being so poor that they are classified as Scheduled Castes, which means that they are entitled to reserved places in government jobs and education. The crucial difference in terms of status is that Sonars, Halwais and so on either own their place of business or are able to afford the high rents along the main bazaars and hence can call themselves and be referred to as dukaandar (shopkeeper) instead of mazdur (labourer) and nokar (servant), both of which carry clear connotations of inferiority. This, as Giri

Chand commented, "makes them almost a Mahajan".

Towards the bottom end of the scale are the service castes and the tribals. Here again there are marked differences in wealth and status. However, it is in this category that the concept of pollution becomes of especial significance. In one sense, pollution is inescapable since it derives from organic processes which are facts of life, such as birth and death, sexual intercourse and menstruation, and nutrition and excretion. This is removed by bathing in ritually prescribed manners which include prayer.<sup>5</sup> However there are certain occupations which are specifically concerned or associated with organic processes and the performers of disgusting tasks such as cleaning latrines and working with stinking hides take the lowest status of all. This kind of work is not only degrading and polluting to the individual concerned, but also makes him defiling to anyone with whom he comes into contact. The designation of certain castes and tribes as 'Scheduled' has associated traditional occupational specialists who were free from the stigma of pollution with occupational specialists who are defiling and hence untouchable. Apart from certain exceptions, all are poor and in the eyes of other jatis ignorant, unclean, uncivilised and semi-human. Other occupations such as birdcatching, tatooing or rope-making are regarded as ridiculous or 'children's work'. These too take a low status but are not polluting.

Leaving aside for the moment this fairly typical pattern of caste ranking amongst Hindus and turning now to the Muslim social strata we find that Muslims in Mandi denied that they had jati, substituting the terms zat, quom or biradari "since only Hindus have caste". Here zat refers primarily to an inherited occupation, whereas quom has religious connotations of Islam in contradistinction to Hinduism. Biradari means either a localised patrilineage (khandan) of 'blood' relatives

or an extended patrilineage covering all males who can trace descent to a common ancestor (Eglar, 1960, p. 29 ff.). Two common themes emerge however: first, recruitment by birth into a hereditary occupational group and second, the principal of endogamy and exclusivity. Whilst pollution is less of a central theme in status ranking, nonetheless a similar pattern can be detected, with sweepers, leatherworkers and winesellers taking the lowest socio-economic status and Sayeds, Sheikhs and Qureshis taking the highest by virtue of their ritual status. The Pathan landholder mirrors the Rajput thakur, the Sarafa and Bohra reflect the Mahajan, and the Muslim craftsmen almost duplicate the Hindu artisans, in most cases taking the same name. There is also a tendency to explain social differentiation in terms of purity and impurity, in this instance of 'blood' (by which is meant descent line), which is highlighted by the preference for patrilineal parallel cousin marriage amongst Sayed families in particular.

There is thus no single ritual idiom in practice by which all jatis are ranked in an exhaustive and rigid hierarchy but nonetheless hierarchy is accepted by all as an ideal order of society and as a principle for interaction, whatever their religious affiliation. In the majority of cases, the jati name and the specialist skills it possesses or pursues are synonymous. Even where this is not the case it is customarily associated with specific occupations in this locality. Different kinds of work are associated with different social statuses, landowning or farming taking a high status and polluting tasks such as carrying rubbish or washing clothes taking a low status. In the instance of the Jain jatis and also of the Vallabhacharya Vaishnavas we find that they are without exception clustered in the merchant category. However, although hierarchy is accepted in principle, signalled by caste endogamy (which is in effect a refusal to contract affinal relations with persons of lower status) and restrictions on commen-

salinity, in practice there are limited occasions when this can be given full rein. The picture which emerges from observed social interactions is complex and there are various criteria by which the relative status of individuals from different social categories may be sketched out.

Sometimes wealth is used as a key indicator of relative status and sometimes political power. One Mina is a grain broker and owns his dukaan which occupies a good location on the Grain Market. The Chairman of the panchayat samiti is a Gujar and is also a grain broker and shop-owner. The Chairman of the Municipal Board is a Chamar who owns two shops selling Rajasthani jhutia (embroidered slippers). These are important people in the town and the lack of correspondence between inherited caste and actual occupation poses contradictions which have not yet been satisfactorily resolved. Prem Chand (a Jain) remarked sourly "You take these Gujar and Jats who have opened up shops, we know them for what they are. They might do reasonably well in business, but they will never be Mahajans because their fathers worked with their hands. Also they are unclean. They never take a bath, they eat meat and smoke cigarettes and have filthy feasts for Bhairuji in the sand dunes". Here menial labour, descent, dietary habits and religious affiliation are mixed together with lack of cleanliness as negative signals of status. Yet the same individuals will be accorded more respect by him than a Brahman who keeps a tea stall and handles the dirty dishes of strangers or a Rajput who works as a police constable and therefore receives wages like a labourer.

The ambivalent position of socially mobile individuals is brought especially to the fore in Municipal politics. The offering and acceptance of hospitality is a customary technique in Rajasthan of demonstrating political alliances and refusal to accept at least a token is insulting. Custom

dictates that after political meetings at the Municipal Board hospitality should be offered in the name of the person presiding. The Chairman, however, is an untouchable and high caste Hindus and Jains endanger not only their social standing in their own communities by accepting food from a low status individual, but also their immortal souls by eating in the presence of polluting persons. As a compromise after meetings or when a visiting dignitary arrives, namkin and tea are served in the Municipal Board Office. Namkin consists of crisp-fried savoury noodles and is purchased from a Halwai who serves it in individually wrapped paper bags. It is not conceptualised as food, merely an accompaniment to tea which is brought in and served by a Brahman tea-stall owner. Pan sometimes is handed out as an alternative. The Mahajans always throw away the filling unless they are sure that it contains no tobacco.

In the face of political necessity the general exclusivity of commensal rules can be bent a little. But the uniqueness of these occasions when persons from different social statuses meet together as equivalents and the necessity of devising circumvential commensality emphasises the basic separation of caste from caste. Traditional caste values are being adapted to ameliorate modern contradictions; it would be a gross over-simplification to suggest that they are under attack. Other than these exceptional gatherings, as stated earlier, social relations between—say—banglemakers and knife-sharpeners or even Hindu and Muslim potters are limited unless they are neighbours, and diminished further by the fact that each feels superior to the other. Lack of consensus over relative status emphasises further their alienation.

Except for the castes which are represented in sizeable numbers in the Notified Area, jatis do not form corporate groups. Those that have caste associations, for example, or organise themselves for any other communal activities tend to

be oriented towards a rural catchment area. The Jat dominated Kisan Sabha (Farmers' Association) to take one example is a political interest group whose power base lies in the areas of Northern and Eastern Rajasthan corresponding to former Jat States and the adjacent areas of Punjab and Uttar Pradesh. Castes therefore are not on the whole communities and only the Mahajans possess significant urban-based associations. Their role as integrators of a mobile population will be discussed in more detail in chapter four.

Summarising the preceding points, it can be seen that the caste system in Mandi exhibits many familiar features of the orthodox stratification system. The major difference appears in the challenge of the Mahajans to the Brahmans and the Rajputs, in the religious and secular domains. These two categories are small in number and relatively poor as compared with the economically powerful Mahajan community. By virtue of their size and wealth the merchants have become the largest employers of labour, both in their places of business and in their homes. This has brought about significant changes in patron-client relations.

#### CHANGING PATTERNS OF PATRON-CLIENT RELATIONS

In South Asian agricultural villages the total population can be divided into two generalised economic categories. On the one hand are the zamindars who are the owners of the land and on the other are the kammis who perform tasks for the landowners according to their traditional specialist occupations. Thus the landowners control the means of production and the kammis gain access to the productive capacity of the land through labour of various kinds (Alavi, 1971). Customary services include ritual and ceremonial obligations in certain cases. Payment is customarily in the form of an annual dan (gift) of grain or produce at harvest time, sometimes augmen-

ted by or replaced with gifts of clothing or cash nowadays (Eglar, 1960).

The various jatis of a village therefore reciprocate goods and services between families according to specialised roles in a structure of hereditary alliances. Families of different jatis make prestations and counter-prestations through time, symbolising the "totality of co-operation within the village" (Wiser, 1958). Dumont has criticised this approach as an idyllic picture of village life (Dumont, 1972, p. 144 esp.). Breman has gone further and asserted that the system rests on two principles, patronage and exploitation (Breman, 1974). Epstein however has noted that where the mutual obligations of the hereditary attachment are no longer observed, an economic prop has been removed from the landless during times of scarcity (Epstein, 1967). Theoretical differences apart, this system of exchanging gifts and services has been widely noted in village studies, from the extreme South East of India (Beck, 1973) to Bangladesh (Arens and van Beurden, 1977) and the North West of Pakistan (Barth, 1970; Ahmad, 1980). Local nomenclature correspondingly varies, but it is generally known as the jajmani or sepi system.

Table 2.4 summarises the traditional occupations of 11 jatis customarily recognised as traditional service specialists in Mandi and their present functional status. It can be seen that, with one notable exception the annual or bi-annual share of grain or produce has disappeared. Gifts of clothing and/or cash on festivals or during rituals are made only in four instances. Otherwise payment is made in cash, on request, for services performed, as they are required. In other words balanced reciprocity has been replaced by economic transaction. This sort of process has been noted in village studies as consequent upon the introduction of cash into the local economy. The basic difference here is the re-organisation



of specialised labour on a commercialised basis. Thus, the blacksmiths have become retailers of factory-made hardware, barbers operate from booths near the Bus Stand to capture itinerant trade, washermen have opened laundry shops to which clothes are brought by clients (though ritual washing is still performed in situ), potters rent yards to display crockery and earthenware and there is even an ayurvedic advice centre, run by a Brahman, where travellers can purchase predictions.

TABLE 2.4

TRADITIONAL OCCUPATIONAL SPECIALISTS,  
CUSTOMARY PAYMENTS AND PRESENT STATUS

Specialist	Services	Payments
PUROHIT (Brahman priest)	Performing life crisis rituals (birth, first hair cut, sacred thread marriage, death and death anniversary); officiating at <u>pujas</u> for <u>Dasehra</u> , <u>Diwali</u> and <u>Navratri</u> in shops and offices and homes; casting horoscopes for the newborn and prospective spouses; determining astrologically the <u>mahurat</u> (auspicious time) for commencing journeys, business transactions and ceremonies; dispensing advice and remedies for health and business problems (dietary prescriptions, medicines and amulets).	Annual grain share, now being replaced by cash * gifts and payments for ritual services, usually Rs.21 or Rs.51 according to significance. Grain share about 2 sacks of wheat or 1 sack of pulse per household served.

(Contd...)

TABLE 2.4 ....Contd.

Specialist	Services	Payments
JAIN PANDIT (Priest)	As above, plus religious instruction for children.	Gifts of cash and payment for services on request.
JOSHI (Astrologer)	Casting horoscopes, determining mahurats as above; astrological diagnosis and prognosis; palmistry; some educational instruction (3 'r' s).	Cash payment for services on request.
NAI (Barber)	Cutting toenails and fingernails twice-monthly, hair monthly, body hair plucking/shaving twice weekly; massage and leg pressing for clients during illness and to relieve fatigue; carrying messages, invitations to ceremonies and news of births and deaths; accompanying bride's representatives to betrothal ceremonies and presenting fruit, flowers etc. to groom. Bathing and laying out the dead, carrying the flame for the funeral pyre and collecting the ashes for disposal.	Annual grain share, now completely replaced by a cash payment of Rs.5/- for one day's work. Cash gifts during rituals.
NAIN (Barber's wife)	Preparing the bride by bathing her, massaging with oil and turmeric, applying bridal make up, assisting the bride in numerous changes of sari, providing guidance and moral support during rituals, accompanying bride to marital	Cash payment by piece rate as above; new sari (value Rs.21 and above) on major festivals, or cash equivalent.

(Contd...)

TABLE 2.4 ..... Contd.

Specialist	Services	Payments
NAIN (Barber's wife)	home for first three days; massaging legs and stomach of pregnant women with oil, delivering babies and providing post-natal care until post-parturition pollution removed, vital guest on 40th day purification ceremony; carrying messages and helping in domestic tasks on request.	
DHOB I (Washerman)	Washing clothes for the household—in situ—now largely defunct—except for clothing worn during delivery and 12 days after birth; occasional guest at weddings.	Rs.11 for one day's ritual washing, or two handfuls of wheatflour or one of pulse flour; otherwise by piece rate.
DHOB IN (Washerman's wife)	As above. Carrying messages and helping in domestic tasks on request.	As above. Occasional cash gifts.
MALI (Gardener)	Tending gardens, supplying fruit and vegetables for daily consumption and flowers for rituals, now defunct; ploughing and breaking new ground, preferred as agricultural tenants.	Rs.5 for one day's work, gleaning privileges.
DARZI (Tailor)	Sewing clothes for the household at the house, now defunct.	Cash payment by piece rate only, on request.
KHATIK (Carpenter)	Making furniture and repairing doors, windows etc. for the household, making and mending local agricultural tools, now largely defunct.	As above.

(Contd....)

TABLE 2.4 .... Contd.

Specialist	Services	Payments
LOHAR (Blacksmith)	Traditionally, making and mending metal utensils for the household and agricultural tools, now defunct; vehicle and machine maintenance and repairs.	As above.
KUMHAR (Potter)	Making earthenware dishes and water pots, for general sale and for cooking food for weddings; <u>chaakh-baat</u> ; occasional wedding guest.	As above, and additionally a full set of clothes for self and wife at weddings.
CHAMAR/REGHUR (Leatherworker)	Making and repairing shoes and sandals and agricultural leatherwork.	As above.
BHANGI (Sweeper)	Washing floors and cleaning latrines; carrying away rubbish; sweeping streets and removing dead bodies of animals; helping in various domestic tasks on daily payment in cash. Giving blessing for commencement of journeys.	Rs.2/3 per day, paid on <u>purnima</u> (each new moon) or on request. Receives leftover food and cast off clothing as a right. Full set of clothes and sari for wife on major festivals. First refusal of spoiled goods.

\* Accepting a customary reward (dan) for services means accepting the impurity associated with the gift, especially that of death pollution. Thus dakshina (alms) are also given as a free gift, to recompense the Brahman for accepting the impurity of dan.

The traditional specialist occupations which have fared best are connected with personal attentions, the removal of dirt and pollution, ritual and the supernatural and above all centering upon marriage and childbirth. Thus in contrast to other kammis, only the sweeper, the barber and the potter can expect to receive gifts in addition to wages. The washermen are a special case. Some years ago the biradari decided to abandon washing in an effort to uplift their social status. Many moved to Jaipur, some built houses near their newly allotted fields<sup>6</sup> and some moved to work in the oil mills. Replacements came from Chatsu but, hereditary ties being broken, they demanded a piece rate payment instead of dan. The merchants made a counter bid of a monthly, flat rate retainer and when this was refused, dispensed with their services. Many merchant households continue to send only rugs and silk saris for dry cleaning and to do their own daily washing. However, the washerman is summoned to the house for washing in connection with a birth and for this is given a fixed sum in cash or grain. Some washermen are invited to weddings but they are not essential guests.

Life crisis rituals can be performed solely by the Brahman purohit or Jain pandit. No one else possesses the prerequisite religious knowledge or socially sanctioned authority. If the customary purohit/pandit cannot officiate for some reason then he must send a replacement, who receives half shares of the cash or grain. At this juncture the proportional predominance of ritual specialists over other traditional occupations requires special mention. It reflects merchants' self-perception as especially vulnerable to mystical attack. This is responsible for the need to acquire the sweeper's blessing for commencing journeys, since her good wishes are one of the strongest forms of magic.

Thus the attachment between patron household and client specialists is strongest where supported by the belief system

and weakest where the supernatural connection does not apply or is less relevant. That the carpenter or blacksmith patronised by a Hindu household could be Muslim supports this assertion. However, where the customary attachment is indeed cohesive, the relationship consists of long-standing mutual identification, deriving from the needs of high castes for religious and economic services which they are unable or unwilling to perform themselves. Kammis could not expect employer households to stand as security for loans of money (cf. Blunt, 1931, p. 260). Employers could not assume automatic political support from their kammis (cf. Lewis, 1958). The quality of mutual support is lost.

Many older kammis bemoan the passing of an era when their patrons took a personal interest in their affairs. Sunder, a potter, complained: "In the old days if my daughter got married the thakur would give me a buffalo. If I needed anything I would go to him with some pots and say 'These are for you. I am giving you something so now do something for me' and he would say 'Give me the pots and I'll make you a happy man' and then deal with all the arrangements". They blame the meanness and the social remoteness of the business community for the decline of patronage and contrast this with the supposed open-handedness and accessibility of the zamindars in past times. Their frustration with the impersonality and anonymity of social life in an urban setting finds its expression in occasional ugly incidents with Mahajans as the targets, as shown by the following example.

One morning a village headman arrived with a Jat farmer who had bought a dozen lengths of handwoven cloth the previous day. Several of these were badly spoiled down the middle. The farmer did not know which shop had sold the obviously second rate goods so the headman asked directions to a well-known cloth merchant's from bystanders at the Vegetable

Market. He explained the object of his visit; quite a crowd of interested spectators gathered and accompanied them to the shop. The headman put the case for the farmer, the shopkeeper listened politely then asked where was proof of purchase? As the farmer had no receipt, the shopkeeper had no legal obligations but offered to replace the spoiled lengths and make further enquiries. Being a specialist in rural tastes, he was reluctant to alienate customers by appearing crooked, albeit wrongfully accused. Questioned later, he affirmed that he had recovered his losses from the guilty party but refused to name the shop "because the farmers don't really want to know, being Jats they just want to make a big show". The headman acquiesced with the shopkeeper's interpretation and said that since most farmers purchase new clothing just once per year there was every chance that they would forget about the incident. He was satisfied that his acquaintance with influential people had been demonstrated; the shopkeeper was pleased that violence was avoided. The incident also shows the interconnectedness of the merchant community since the shopkeeper was willing to replace the goods, confident that he would be reimbursed later.

#### SUMMARY

The impersonalisation of life in Mandi is recognised as economic in origin but perceived nonetheless as being connected to the secretiveness of the Mahajan population. Whilst in India there is a tendency to use the title of any sort of activity instead of proper names, amongst Mahajans, this is a widespread characteristic. As the Times of India commented: "Only amongst the business community would a man known as Nathwarlal Kanji Dayalal be also known as Dayal Nal Vakil" (Times of India, 16/6/75). People say that the business community has no interest in their problems and traditional patterns of reciprocity have declined because of the growth

of trade and commerce. In a way they are right to focus on the merchants' dominance of life in the town. They have assumed the role of the Rajputs or Brahmans as patrons without assuming their function as protectors or ritual specialists. They have moulded the rules of commensality and provided their own model of acceptable intercaste food.

Because of their over-arching orientation towards Jainism, the Mahajan community challenges Brahmanical authority in the religious sphere. Their relationship with caste ideology via the jajmani system reveals that the benevolent paternalism traditionally imbued into Indian patron-client relations has been replaced by a cash nexus philosophy. This has forced many artisans to become themselves businessmen and only in occupational specialities primarily concerned with ritual do the customary jajmani ties prevail. With these exceptions, relations between Mahajans and members of other castes are reduced to the economic relations of shopkeeper and customer or employer and employee. As will be shown in the next chapter, the economic organisation of the bazaars is a manifestation of these implications of the caste framework of the Notified Area.



## CHAPTER THREE

### THE ECONOMIC CONTOURS

#### INTRODUCTION

This chapter attempts to show the general characteristics of business in the bazaars and to substantiate the suggestion of Mahajan dominance mentioned above. The predominance of Mahajans in the more profitable types of businesses, the concentration of property holdings in their hands, and the difficulty of establishing new commercial enterprises will be demonstrated. The manoeuvres which take place in locational strategising will be indicated in order to show the effect of Mahajan economic power upon market forces. The implications of the caste framework introduced above for employment opportunities will be indicated. It will be seen that Mahajans are not only the biggest employers of labour but also as employees have greater access to better economic opportunities. To begin with I summarise the economic outlines set forward in earlier chapters.

#### GENERAL CHARACTERISTICS OF THE BAZAAR AREA

To the newcomer, the first impression of Mandi's bazaars is one of bustling commercial activity. Almost every day of the year there is some kind of business being transacted. Even when the shops are closed for business, someone may be doing the books or stocktaking. This is as characteristic of the hot weather as it is of the cool, though during the summer rains, when the unmetalled roads become miry much slackening off in the amount of traffic in the town may be discerned. In the winter months during daylight hours the streets are crowded with villagers, camels and bullock-carts and the buses to and from the town are packed to the doors. Mandi's

function as a market centre, for distributing consumer goods and collecting agricultural produce is readily perceivable.

Indeed it is the raison d'etre. For centuries Mandi collected and distributed the produce which arrived by desert caravans: gem stones, silk, gold and silver ornaments and spices from Central and Southern India on their way to Afghanistan and points west; in return came saffron and, not so glamorous but equally lucrative, hides and salt. When long distance travellers stopped at Mandi they needed to be housed, fed and entertained and the origins of the settlement can thus be traced to its functions as a Parao or resting place. Even today caravans stop at Mandi, on their journeys from Afghanistan to Central India and so do their twentieth century counterparts, the long distance truck drivers, travelling from Punjab to Madras.

In addition to long distance trading, Mandi has acted as a market for the surrounding plain, collecting indigo, wool and cotton for despatch to Jaipur and Sanganer, surplus food grains and the red chillies, cumin seeds and coriander seeds for which the district is famous. Although wool and cotton are no longer exported in the same quantities, their former importance is reflected clearly in the very large number of caste names associated with textiles (see for example Table 2.1).

The decline of cotton growing was accompanied by the compensatory acceleration of groundnut cultivation, which replaced it. The innovation of groundnuts appears to have been rather apocryphal. The brother of the present Secretary of the Municipal Board (a Muslim) bought some peanuts to eat at Jhaura in Madhya Pradesh, did not like them, so brought them home for his family. They did not like them either so Qureshi threw them away. The seed germinated and flourished, and

several merchants expressed interest in the crop. One who has a farm started to grow them and other farmers followed suit. At first the groundnuts were resold in the bazaar as roasted peanuts for eating, but later groundnuts were sent out to mills in Jaipur. Later still local merchants discovered where the best markets were and sent out consignments to Agra, Bharatpur and Bhavani. From Mandi, groundnut cultivation spread gradually outwards. Whereas the last cotton crop was grown in Mandi pargana in 1945, peanuts and cotton were grown side by side elsewhere in the district and cotton was being sent for auctioning in Mandi as late as 1955.

The key factor here was profitability. At a time when world markets had been slumping continuously for cotton, the bottom finally falling out of the market in the mid-fifties, the huge and continued increases in India's population raised home demands for cheap vegetable cooking oil (to replace clarified butter). As early as the 1950's, the experimental groundnut crops were proving twice as profitable as cotton had been, even at the peak of profitability. Groundnuts are ideally suited to the climate, seem to be disease-resilient so far, and being nitrogenous have the side effect of growing well on those very soils which cotton had exhausted, whilst rotating well with wheat and barley. Once their commercial value as a source of vegetable oil (dalda) was realised, they ousted cotton completely. The money thus engendered led to a great expansion of economic activity: farmers with money in their pockets had a larger purchasing power for consumer goods and more ability to consume a variety of things. (In the height of the groundnut season it seems as if every bullock-cart has a transistor radio, each tuned to a different radio station). Concomitantly, this led to a growth of services, such as cloth shops, grocery stores and general merchants, and manufacturing industries.

Oil mills, and the agricultural processing industry, favour a raw material-orientated location rather than a consumer-orientated location. It is cheaper to process raw materials like groundnuts at source, rather than at the market for the oil, for groundnuts lose a great deal of bulk in processing. Obviously, it is cheaper to transport vegetable oil in liquid form in one oil tanker than to transport groundnuts still in the shell in three or four trucks. Once the decision to shell the groundnuts had been taken, it was a small step to deciding to crush the nuts for oil, obtaining cattlecake as a by-product in a single process.

Although groundnuts have been grown since the 1930's, it was not until the early 1960's that oil processing plants began to proliferate. The first was the Kekri Oil Mill in 1963, followed by the Swastik Mill in 1964, Narender Mill in 1966, Jain Oil Mill and Agrawal Oil Mill in 1969 and lastly Durga Oil Products in 1971. There are now 13 vegetable oil mills altogether. The vegetable oil business experienced a false start with cotton seed oil in the late 1950's, which seems to have been a last ditch stand to grow cotton in the region. In 1958 the Modi Ginning Factory was started, followed by the Ganesh Ginning Mill in 1959. Neither were successful, the Ganesh Mill closed down altogether until re-emerging as the Ganesh Oil Mill in 1967 and the Modi Factory limped along in the guise of the Modi Dal Mill, cleaning and grinding pulses, until after the inauguration and assured continuity of the Kekri Mill, in 1965. The failure of the cotton seed oil extraction plant in the 1950's, at a time when world demand for cotton was falling and farmers were turning to groundnuts instead, was a great disincentive for investment in agricultural processing. The speed with which oil mills grew up as groundnut production increased underlines the entrepreneurial characteristics of the business community.

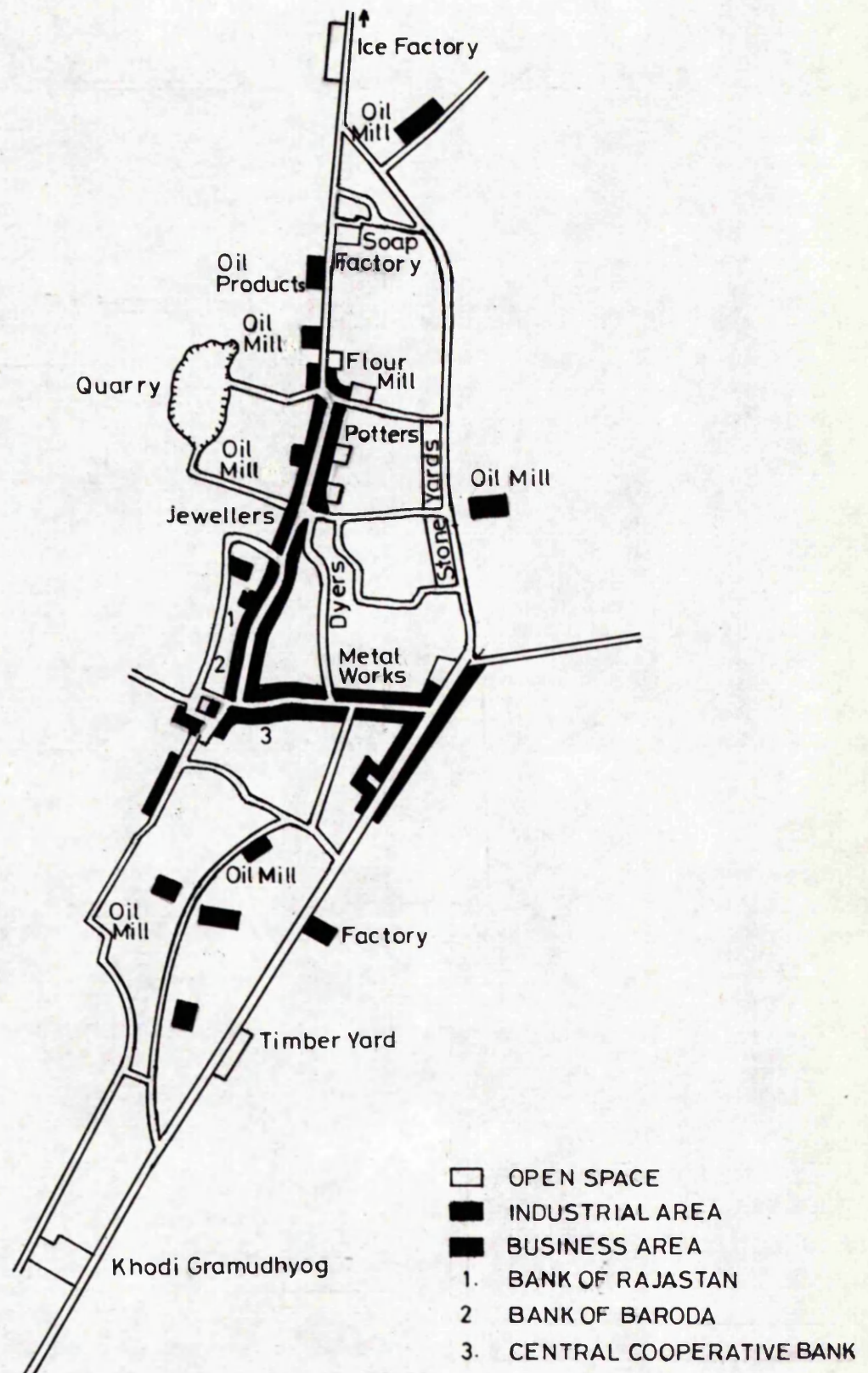
While the service industry has been concentrated within the bazaars, all manufacturing activity has been located around the periphery, where land is plentiful and cheap (see Map 3.1). Heavy investment in capital goods (building and machinery) and extensive storage space preclude them from competing for land along the bazaars. In any case, the advantages of agglomeration do not accrue in their case, quite the converse, and location towards the south of the town has other benefits e.g. cheaper labour.

Today, the settlement chiefly functions as a 'central place' and as an industrial centre for the surrounding countryside. However, it would be wrong to assume that Mandi no longer caters for long-distance trade, as the proliferation of small restaurants, tea-stalls and soft drink sellers along the Main Road shows. Many tea-stalls and dhabbas are open 24 hours a day to cater for the long-distance truck-drivers and interstate bus-passengers. Interestingly, the truck-drivers stop almost in the same spot as the camel caravans. (The camel caravans have always stopped under a tree, just by the panchayat samiti, where there is a well). The commercial establishments on the Main Road chiefly cater for long-distance travellers. In contrast, the bazaar areas cater for the needs of the surrounding plain. It is to the bazaars that the vegetable sellers from the countryside come in everyday<sup>to</sup> sell their produce. It is also in the bazaars that the bulk of the commercial establishments are located.

However, Mandi neither has a Central Business District (CBD) as in western towns and cities, nor does it display their typical spatial economic contours of concentric rings or stellate patterns of business location. Rather, it displays a linear development along the two main streets. Urban geographers have often differentiated the oriental city from the western city, (Singh, R.L., 1955). Western towns and cities

# MAP 3.1

## INDUSTRIAL AND COMMERCIAL FUNCTIONS



are hypothesised to have a CBD composed of offices and banks, with retail businesses situated along prestigious routes leading from it. Whereas retail shops, as a whole, tend to clump together in certain streets, the shops in a particular street deal in different commodities. In Indian towns and cities, by contrast, an entire street may consist of wholesale and retail shops dealing in a single commodity.

Although Mandi is too small for such intensive concentrations, certain locations are set aside for specific services or types of merchandise. The cloth merchants, kirana stores, tailors and jewellers are almost entirely concentrated on the upper part of Chauhati Bazaar; whereas dispensaries, trinket shops, metal dealers are towards the bottom end, near the Sabzi Mandi. On the Main Road, where long-distance travellers stop, are the service industries: tea-stalls and restaurants; motor repairs and mechanics; barbers shops and laundries; and the heavy commodity dealers: stonemasons and timber-merchants. Halwais cluster round the two major intersections in Mandi: one near the Sabzi Mandi and the other where the 'Street of the Jats' intersects with the Chaturbhuji Bazaar. Potters display their wares along the Kumharan gulli, which connects the far end of the Chauhati Bazaar with the Main Road. There are two flour mills on the Kumharan gulli and two along the Chauhati Bazaar, whereas the oil mills are scattered around the periphery of the town, particularly to the south. The Chaturbhuji Bazaar is the principal location for wholesalers and retailers of grains, gur and spices as well as for commission agents in oilseeds, grain and spices. This is the most congested part of the bazaar and in the height of the season from October to March bullock-carts and camel-carts queue as far back as the Main Road for their contents to be auctioned.

Hence, although the superficial image is one of higgledy-piggledy confusion, there is a discernible order to it. Business activity is organised around foci, into agglomerations of varying sizes and constitutions. This nodality is linear in character, like beads on a string, rather than concentric, stellate or sectorial as in western cities. The underlying socio-economic logic is revealed by an examination of the inter-relationship between land values and rents, locational preferences and the concentration of economic power, which is the subject of the following section.

#### BUSINESS LOCATION AND ECONOMIC POWER

These categories cannot be divorced from each other and are inexorably linked to the questions of business rationality and constraints upon economic activity. The picture that emerges in Mandi is a complex one, where the operation of the free market in land values and the price of renting a business site is limited by the concentration of property into the hands of a small number of business families. The resultant spatial distribution of certain types of business and their gradual relocation reflects this.

All economic systems are faced with the problems of allocating scarce resources. In this case there is insufficient land to accommodate all the businesses in the optimum location. Competition for the best sites in terms of future estimated profitability determines locational preferences and the value of land is decided by the price system. Wholesalers, retailers and commodity brokers alike look for the same site advantages i.e. centrality and accessibility. The locational cost of a business (that is, the price of the site) is fixed by competition amongst the several firms wishing to locate in that particular area. The price paid for rent or purchase of the site fixes at the highest amount which the most eager



firm is ready to pay. It follows that the firm which will pay the most is the one which values the advantages of that site higher than the advantages of land elsewhere. Thus, in the 1930's all the cloth merchants of Mandi (four out of four) were located along the Chaturbhuji Bazaar. Today, most of the cloth merchants (12 out of 16) are located in the upper part of the Chauhati Bazaar. Cloth merchants would still prefer to be located on the Chaturbhuji Bazaar, but wholesale dealers and brokers are prepared to pay extra for the advantages of proximity to the grain auctions. For cloth merchants, the extra cost of a site on Chaturbhuji Bazaar is greater than any disadvantage of location in the Chauhati Bazaar. Accordingly, wholesale traders and brokers (sometimes called commission agents) have settled along the Chaturbhuji Bazaar while cloth merchants (and allied traders) have settled in the Chauhati Bazaar.

TABLE 3.1

## LAND VALUES AND RENTS IN MANDI

	Value (Rs.psm.)	Rent (shop psm.) **
Chaturbhuji Bazaar		
Temple end	250	300
Main Road end	200	150
Chauhati Bazaar		
Gandhi Chowk	225	200
Kumharan <u>mohalla</u> end	200	100
Mahajan <u>mohalla</u> *	50	-
Bus Stand area	150	50
Gujaran <u>mohalla</u> etc.	10	-

\* Except Chaturbhuji Bazaar and Chauhati Bazaar.

\*\* An average shop has a shop front of three metres; bigger shops command higher rents.

Table 3.1 shows that differences in land values (based on last-time sales) appear marginal as compared to the varying size of rents. This is because land at the Temple end of Chaturbhuj Bazaar is rarely—if ever—sold at this prime location and values are thus in fact artificial. Comparison of rents here with those obtaining at the Main Road end suggest that the value of land should be at least Rs.400 psm., which would be the very minimum. Land prices by the Bus Stand and the Kumharan mohalla end demonstrate the impact of recent land speculation and the lower rents obtainable at these sites show a truer value of their desirability as business locations. Actually, the ratio between the values of land and rent at Gandhi Chowk and the Main Road would appear to be the most realistic and to represent an equilibrium. Hence the most desirable localities command the highest rents if not the highest land values and what emerges most clearly from this table is the lineality of locational preferences. This is because the opportunity cost of location off the main bazaars expressed in terms of invisibility to customers awaiting their turn for grain auction is higher than the amount saved through lower rents.

Hence those businesses which cannot be preferentially accommodated must choose and decide where they will locate as an alternative. The allocation of business premises at any point in time is the outcome of independent decisions taken by businessmen, acting through the mechanism of the 'free' market. Location and relocation of business premises is, however, a continuous process. Even though some businesses appear to be 'permanent', arguably they are merely relocating more slowly than others. As more and more wholesale traders and commission agents have competed for land along the Chaturbhuj Bazaar, the price has risen continuously. As the price of land has risen, businessmen have been forced to reconsider their decisions to locate along the main bazaars. Accordingly,

wholesale dealers and commission agents have spread down the Chaturbhuj Bazaar towards the Main Road, perpetuating lineality. Others, however, have moved round the corner into the Chauhati Bazaar (not backwards into the Mahajan mohalla as might have been expected). So far, only six commission agents have relocated but, apart from one whose business failed, they all asserted that they experienced a higher turnover than they had on the Chaturbhuj Bazaar. In theory, since centrality no longer obtains, they should not be doing so well. To understand this, a brief explanation of how oilseeds, spices and other commodities are marketed is needed. A more detailed description will be given in chapter six.

There are in fact two separate auctions: one at the Chaturbhuj Bazaar where it broadens into a square and the other on the open ground in the Gujaran mohalla known as the Bakra Mandi. The former is official and the latter unofficial. Farmers generally prefer the official auction, but since it involves waiting for hours through the hottest part of the day they often attend the unofficial one. This has the added attraction of greater proximity to the upper Chauhati Bazaar, where they can purchase consumer goods from the kirana stores, banglemakers, cloth merchants and so on.

From the point of view of the majority of commission agents, there are always more farmers wanting to sell their produce in the Chaturbhuj Bazaar, therefore it is best to be located there. However, a few years ago, certain commission agents realised that the ratio of wholesale traders and commission agents to farmers was increasing; while turnover remained constant, costs were increasing and profits declining. In contrast, there were no commission agents on the Chauhati Bazaar and land values were far lower. So, they let their shops on the Chaturbhuj Bazaar and moved to Chauhati Bazaar. Once there, they could not only be assured of the

custom of long-standing clients, specially those tied to them by credit relations, but could also tap some of the traffic coming along the Chauhati Bazaar and some of the overspill from the Chaturbhuja Bazaar at the unofficial auction.

Of the six relocated businesses, three were Mahajans with oil mills, two were Mahajans who did not own oil mills and the last was a Brahman commission agent. The three mill-owners pioneered the move out of the Chaturbhuja Bazaar, the other two Mahajans followed and the Brahman commission agent was unable to find premises at the rent he was prepared to pay on the Chaturbhuja Bazaar. In a microcosm, this indicates how economic stratification functions at the operational level. The mill-owners showed the initiative because they had the greatest financial flexibility (as well as risk-taking orientation) and could afford to gamble on the risk paying off. If the innovatory location failed they would lose some money, but if it succeeded they would entrench their position. By contrast, businessmen from other castes who do not have their financial strength cannot afford to gamble. If the move failed, they would lose all their money; if it succeeded they might arouse hostility from vested interests—which could and would force them out of business. Not many months after moving to the Chauhati Bazaar the Brahman was forced out of business by cash flow problems. He was unable to get credit, and now works as an accountant (munim) for a Mahajan firm.

So far, we have discussed this aspect of Mandi's economy as if the numbers of buyers and sellers are both large and evenly matched, and as if a situation resembling perfect competition exists. However, such ideal conditions do not truly operate because two of the three factors of production (land and capital) are largely controlled by one sector of the community, the Mahajans, and in particular by specific established families. This is clearly illustrated if we

turn to the marketing of property, or real estate. With regard to rented property, one man's money is as good as another's and the property falls to the highest bidder. In the buying situation, many people are disqualified by income from purchasing property (though they may be able to rent). Others are refused credit, or may be offered credit at such a high rate of interest (for example 30-40% per annum) that they are discouraged. Again, much property changes hands without perceptibly coming on to the market, as security for loans or payment for debts. Perhaps the most important way of keeping property under Mahajan control is the '20% concession system', under which Khandelwals and Agrawals give a discount of 20% for cash payment to each other. Thus, when a site comes up for auction, interested members of these jatis can afford to bid above the market price and beat down their competitors, because they know that the 'final price' will be reduced. Table 3.2 shows the net result of this pricing system, the evolution of a small property-owning elite.

TABLE 3.2

CHARACTERISTICS OF BUSINESS PROPERTY  
MARKET

	Number	Per cent
Let property to others	50	20%
Do not let property to others	195	80%
Total	245	
Rent property from others	179	73%
Do not rent property from others	66	27%
Total	245	
Do not rent from others	66	27%
Let property to others	50	20%

N.B. It was felt necessary to ask separate sets of questions about renting and letting property to eliminate the possibility of evasive answers.

Thus, 73% of business families have to rent their business premises and only 27% own their own shop. Of these 7% do not have surplus property to let, leaving 20% or 50 families to control the property market. To put this another way, 93% of property in the bazaars is owned by merely 50 families. But who are these people?

TABLE 3.3

## PROPERTY-LETTERS BY CASTE

Caste	Number	Per cent
Mahajan	32	64%
Sonar	1	2%
Brahman	5	10%
Muslim	7	14%
Rajput	2	4%
Sindhi	1	2%
Reghur	1	2%
Mali	1	2%
Total	50	

Table 3.3 shows clearly that the majority(64%)of those who admitted to having property to let were Mahajans. The word 'admitted' is used deliberately, as most Mahajans, particularly Khandelwals, were extremely reluctant to give details about their real estate holding. Nevertheless, the general picture of Mahajan control over the property market is evident.

The question now arises of the extent to which this small propertied class erects direct or indirect economic barriers against penetration. Table 3.4 sets out the resultant differen-

tial control of property as between newcomers and established residents, and Table 3.5 shows the castes of the newcomers. (For the sake of analysis, residents were defined as business families whose malik was born within the boundaries of the Notified Area,<sup>1</sup> whereas newcomers were defined as business families whose malik was not born in Mandi). Table 3.4 shows that newcomers are ten times less likely than established families to be in a position to let property to others and twice as likely to rent property from others. The proportionately higher number of newcomers neither letting nor renting their business premises suggests that, for them, to purchase business premises is an urgent priority. Newcomers find it extremely hard to get credit from other businessmen, except at high interest rates. The only other alternative is to borrow from the bank—which will not lend without some sort of property as security.

TABLE 3.4

DIFFERENTIAL CONTROL OF PROPERTY  
BETWEEN NEWCOMERS & RESIDENTS

	Newcomers	Residents	Total
Let property to others	4 (6%)	46 (26%)	50
Rent property from others	57 (85%)	122 (68%)	179
Neither let nor rent	6 (9%)	10 (6%)	16
Total	67	178	245

Mahajan families with a long pedigree in the town are somewhat at a loss to explain the phenomenon of migration. Whereas, on the one hand, they are aware of the difficulties facing newcomers, who have to build up credit relations from

scratch; on the other hand the success of certain Mahajan families who are recent immigrants cannot be dismissed lightly (two of the 13 oil mills are owned by newcomers). The local model divides migrants into two categories: aanewallah and jaanewallah (those who come and those who go). It is believed that aanewallahs are always outsiders i.e. non-Mahajans, who have been attracted by the possibilities of business and have failed because of faulty judgements in business transactions; whereas aanewallahs are those Mahajans who have stayed and succeeded in the face of heavy odds, by virtue of their superior business acumen. By extension, the indigenous Mahajans neither come nor go, succeed nor fail enough to cause remark. The point will be elaborated in the chapters on business ideology.

There are, therefore, two kinds of newcomers: those who possess or can manufacture the necessary contacts, credit relations and customer networks which ensure the viability of the concern in a new environment and those who do not. Table 3.5 breaks down the castes of newcomers and shows that the Mahajans constitute the largest number of recently-settled families, followed by the Sindhis. Within the Mahajan category of castes, moreover, the Khandelwals assert that Agrawals, particularly Agrawal Jains, are newcomers to Mandi, whom they frequently accuse of 'spoiling' the business of the town by their misguided and ill-conceived policies of inviting kin from nearby towns and villages to share in the massive profits being made.

However, it would be wrong to read this resentment as hostility, accompanied by social or religious barriers such as they collectively erect against other newcomers, witness the 20% discount system mentioned above. How are these opposing points of view reconciled? It can be best explained by analogy with the business tactics of the multinational



corporations, which compete amongst themselves, but which join ranks against outsiders or newcomers.<sup>2</sup>

TABLE 3.5

## CASTES OF NEWCOMERS

Caste	Number	Total families of the caste	Per cent
Mahajan	26	(108)	25
Sindhi	13	(23)	57
Muslim	9	(39)	23
Brahman	7	(24)	29
Mali	4	(8)	50
Dhobi	3	(3)	100
Jat	3	(3)	100
Khati	1	(1)	100
Sonar	1	(3)	33
Total	67		

Similarly, in Māndi, just as the social system discourages newcomers, as a whole, it encourages certain types of newcomer more than others. The Jats, the Minās and the Gujars who have broken into the brokerage business can benefit hugely from the fact that they are not Mahajans, once they have broken through the credit barrier. Caste fellows and others from their natal villages prefer to seek them out on their occasional visits to Mandi because they feel less likely to be cheated.<sup>3</sup> Furthermore, whilst Mahajans feel that they have a common caste heritage which gives them the edge over other castes in business, this heritage directs them towards certain types of business activity and precludes them from others (which they consider not to be business at all).

# CASTE, COMMUNITY AND OCCUPATION

Having dealt with the relation of economic power and functional factors to the distribution of business we now come to the characteristics of the businesses themselves. Table 3.6 reveals 40 different types of business enterprise. These vary in scope, professionalism and profitability, as symbolised by their location in the bazaars discussed above and the concomitant price of land. It also shows that there is a close link between type of business and caste. It is easy to deduce that Mahajans not only predominate in business, but predominate in the most profitable business. As the table also reveals, no fewer than 25 castes are employed in business activities, however Mahajans have a near monopoly of the parchooni businesses, commission agencies, cloth, halwai and kirana stores. They completely monopolise timber merchants, transport agents and, most importantly, have the government contract to deal in cement. Thus they control not only the most profitable businesses but have the whip hand over the distributive infrastructure.

TABLE 3.6

## PERMANENT BUSINESSES IN MANDI

Type of Business	Num-ber	Description of Business	Caste of Proprietor
Parchooni	56	Wholesale and re-tail dealer in gur, grain,spices and ghi	Mahajan (68%)
Cloth merchant	23	Textile retailer and/or wholesaler	Mahajan (78%)
Tea-stalls and restaurants	18	-	Brahman (50%)
Halwai	15	Confectioner and caterer	Halwai (37%) Brahman (31%)

(Contd...P/

Table 3.6 .... Contd.

Types of Business	Num-ber	Description of Business	Caste of Proprietor
Tailor	14	-	Muslim (57%) Darzi-Hindu (21%)
Aaret	12	Broker of grain, oilseeds and spices	Mahajan (87%) Brahman (13%)
General store	12	Retailer of grocery and miscellaneous goods	Sindhi (67%) Mahajan (33%)
Kirana store	10	Retailer of feminine commodities e.g. narrow fabrics	Mahajan (90%) Muslim (10%)
Barber	8	-	Nai (100%)
Paanwallah	8	Seller of pan, bidis, tobacco	Brahman (42%)
Cycle shop	7	Buyer, seller, repairer and renter of cycles	Mahajan (42%)
Flour mill	7	-	Muslim (57%) Mahajan (28%)
Bangle shop	5	Maker and retailer of bangles	Mahajan (40%) Muslim (40%)
Blacksmith	4	-	Muslim (100%)
Dispensary	4	Supplier of English and/or Ayurvedic medicine	Brahman, Mahajan, Sindhi, Muslim
Subcontractor	4	Civil engineer	Muslim (75%), Mahajan (25%)
Motorshop	4	Machinery and spares supplier; motor repairer	Muslim (75%), Mahajan (25%)
Stonemason	3	Wholesale stone dealer	Muslim, Kumhar, Mahajan
Goldsmith	3	Maker and retailer of gold and silver jewellery	Mahajan, Sonar, Sunhar
Timber merchant	3	-	Mahajan
Butcher	3	-	Muslim

(Contd...)

Table 3.6 ..... Contd.

Types of Business	Num- ber	Description of Business	Caste of Proprietor
Dhobi	2	Laundryers and dry cleaners	Dhobi
Oilpresser	1	Small-scale manu- facturer, whole- saler and retail- er of vegetable oil	Teli
Oil mill	1	-	Mahajan
Hardware	2	Wholesaler and retailer of pots and pans	Mahjan, Brahman
Transport agent	2	-	Mahajan
Carpenter	1	-	Khati
Housepainter	1	-	Muslim
Shoeshop	1	-	Reghur
Bookseller	1	-	Mahajan
Fodder merchant	1	-	Muslim
Cinema	1	-	Mahajan
Icecream factory	1	-	Sindhi
Electrical goods	1	-	Muslim
Watchmaker	1	-	Muslim
Photographic studio	1	-	Mahajan
Purohit	1	Dispenser of 'Ayurvedic ad- vice' e.g. horoscopes	Brahman
Cement dealer	1	-	Mahajan
Embroidery	1	-	Sindhi
Radio and Loud- speakers	1	-	Mahajan
Total	245		

N.B. Muslim proprietors refused to reveal their caste for the purposes of the business survey.

Monopoly manifests itself in other businesses and the business survey revealed that a total of eight types of commercial enterprise which are monopolised by a single caste:

TABLE 3.7

## CASTE MONOPODY OF BUSINESSES

Types of Business	Number of businesses	Caste of proprietor
Barber	8	Nai
Tailor	8	Darzi (50% Hindu, 50% Muslim)
Blacksmith	4	Lohar (Muslim)
Butcher	3	Qasai (Muslim)
Purohit	1	Brahman (Ayurvedic Advice Centre)
Carpenter	1	Khati (Muslim)
Shoeshop	1	Reghur
Oilpresser	1	Teli
Total	27	

Though the number of families involved is small, this does demonstrate the trend towards the commercialisation of customary or traditional caste professions. It is interesting to note that whereas the more profitable businesses are being penetrated by non-Mahajans, the Mahajans, as a whole, leave these smaller types of business family alone. Whilst one or two have purchased tailoring businesses, run as an adjunct to their own cloth shops, they do not work as tailors themselves and the caste of the proprietor is given as darzi. Why should this be so?

Part of the reason why these businesses are avoided is their lesser profitability. However, as will be explained

below, the fact that some Mahajans are forced to work for others out of economic necessity, suggests that they might have tried their talents in enterprises requiring lesser initial capital expenditure. Mainly it is because of the polluting nature of activities such as taking life, touching the carcasses of dead animals, coming into contact with the waste products of human beings and religiously-supported prescriptions against high status people working with their hands.

In addition, there is a marked correlation between the relative purity of objects and their value as objects of trade. Therefore, silk is purer and more expensive than cotton, gold is more pure and more expensive than silver, and so on; consequently traders in valued commodities take a higher status in both ritual and economic terms. Again the more abstract the nature of the exchange, the more pure and honorific the occupation. Thus banking and insurance take the highest status (for Mahajans at least) whereas selling goods directly—as opposed to acting as middlemen—takes the lowest status in commercial terms. This fortunate coincidence between material profit and ritual purity is striking.

The prevalence of Muslim castes as artisan-tradesmen is particularly interesting. They are supposed to have special aptitude for things involving machinery, presumably a legacy of their work as armourers and an indirect result of their control of blacksmithy work. Accordingly Muslim tailors' shops were the first to introduce treadle sewing machines and now are the first to introduce electric sewing machines. Muslims own almost all the motorshops and subcontractors and half of the flour mills.

This association of caste or religious community with occupation extends into the realm of employees. Only 30% of businesses permanently employ other persons in the business besides family members. For our purposes here, though this will be expanded in a later chapter, we have defined family members as

patrilineally related kin residing in a common house (or running a common business whilst residing separately). As a general rule Mahajans do not like to employ people from outside the house, because they feel that this prejudices security. However, families which own multi-businesses or frequently require manual labour (e.g. wholesale dealers and commission agents) are forced to augment family labour. For one thing, balancing the books becomes a full time occupation requiring professional expertise and for another, manual labour is degrading.

Two types of employee can be distinguished: the mazdur, or the labourer and the munim, or accountant, occasionally called the gomashtah or manager. Though both are referred to as nokar, servants, the important relationship is between the family and the munim. For many families he is the key tie outside the house. He is more of a trusty family retainer than a mere manager and frequently lives within the Mahajan household. The relationship of employer-employee thus becomes transformed into social relations; the munim is rewarded for his loyalty by being encouraged to set up his own concern and aided to accumulate sufficient reserves of capital and credit, being allowed to use the family name in his own transactions and given financial backing on 'family' terms. As a malik himself he confers his own 'credit' on the patron family and contributes to its viability as a continuous concern.

Many stories circulate in North India, amongst the business community, which show the integral role of the munim in the continuity of the family, and of other valuable family connections such as the vakil or lawyer. Here is a stereotype of such a story: the father dies and the good-for-nothing sons dismiss the faithful, but elderly munim. The business goes from bad to worse and finally there arrives a credit note for payment at sight, amounting to a small fortune. The sons panic and remember their father's warnings, but the

mother sends a note to the munim, begging him to help them. In return for reinstatement, he organises his dead patron's friends (neglected by the sons) to honour the credit note and provide a bridging loan. Such stories constantly reinforce anxiety about the continuity of the family as a firm and stress the need for trusted agents in the event of the death of adult males.<sup>4</sup> It also underlines the consequence of spendthrift behaviour and the greater wisdom of the elders.

Such a relationship is thus qualitatively different from the relationship of the family with the mazdur and is reflected in the amount of quantitative remuneration as well as other favours. A munim can expect to receive upwards of Rs.450 per month (1975 prices), about the same as a university lecturer in India. A mazdur can expect to receive at most Rs. 150 per month. A mazdur would not live with the Mahajan household, nor take his meals with them. If the relationship were long standing, he might be invited to weddings, but would be served food separately and eat after other guests had finished, an indication of social inferiority. Occasionally, he might be offered a glass of tea (especially if he had been sent to fetch it). Again, the munim plays an important part in the ritual aspects of business, especially at Diwali. For families who perform Durgapuja (dedication of the pens, inkpots and sand shaker to Durga) his presence is essential. The mazdur plays no part at all beyond fetching and carrying and cleaning up afterwards.

Hence, there is a definite pattern to the employment of servants. Munims are usually of the same religious community as their employers and frequently belong to the same gachha (sectarian division). Thus, Jains ideally prefer to employ Jains and Vaishnavas to employ Vaishnavas, though



they have no aversion to employing each other. They feel that someone from their own community is more likely to be honest and responsible in the event of the malik's temporary absence. All businessmen think that employing someone of a different religion is "bad for the luck of the shop", because he will be unable to perform ritual obligations fully. Finally, cultural homogeneity between employer and employee deriving from membership of the same gachha or jati is believed to promote feelings of identity with the firm and hence improve job performance.

All Mahajans take this to extremes and wherever possible, prefer to employ, a matrilateral relative as a munim e.g. mother's brother's sons, mother's sister's sons, mother's brother's wife's brother's sons and so forth. Whilst these are not 'of the house' and unlike close patrilineal kin are not regarded as pakke rishtedar (proper relatives) there is a sense of mutual identity and obligation, though necessarily of an asymmetric nature. The duty of patrilateral kin is to provide and sustain; in other words to 'patronise'. The obligation of the inferior, matrilateral kin is to obey and be grateful for a privileged start in life. This is clearly reflected in conversational styles, the latter using always indirect and honorific terms of address and being addressed in turn with familiarity. For Mahajans absolute loyalty from the munim is regarded as indispensable. They think that no-one outside the house can be trusted, unless there is some sort of hold upon them, in this case emotional blackmail. The employment of cognatic kin also avoids the possibility of pollution, because families which intermarry must by definition be able to take food from each other.

The concern with pollution extends to the employment of labourers. On a general level Jains and Hindus attempt to avoid employing Muslims, because they could not fetch tea for their

employers or important Hindu customers. Some Hindu customers might object if their purchases were handed to them by a Muslim, particularly food purchases. This is unavoidable since fetching and carrying constitute his duties. (The malik must never leave the cash box). It has been already indicated that manual work is regarded as demeaning (if not actually polluting) for higher castes. On the other side of the coin, Hindus prefer not to work for Muslims, because it degrades them and there is the constant danger of pollution through contact. Hindus, then tend towards employing Hindus and Muslims to employ Muslims.

Thus both skilled and unskilled employees show a marked uniformity of caste and status. Fox argues that "this is because of indirect selection for which castes enter the field rather than purposeful selection on the part of the employer" (Fox, 1969, p. 141). On the contrary, in Mandi, caste and religion play a conscious and direct role in determining access to jobs, particularly with regard to contact and commensality which condition the usefulness of an employee. Where customary disabilities are lacking, kinship and caste preferences preempt non-Mahajans from the more lucrative end of the labour market. Whether they have business acumen or not, they are precluded from proving how industrious and profitable they could be as munims. The Mahajans dominate the market for this, like everything else.

#### SUMMARY

The last few years have seen an influx of business and a rapid expansion of population. The root cause has been the transition from cotton and spice growing to groundnuts. This increased spending power in the surrounding countryside and the economy has taken off. Farmers had more money to spend on non-essentials such as transistor radios, relatively expensive items of food and clothing, soap and toilet items

which benefitted shopkeepers. Commission agents expanded their business, confirmed each other's transactions, provided finance and insurance and lent money to farmers. Recently local industry has started up with every possibility of complete take-off into sustained economic growth.

However, whilst newcomers have set up businesses in the same way as their caste fellows who have long been resident in Mandi, not all have prospered equally. The intensification of competition and the general shortage of credit has meant that, without good connections, the viability of the family firm as a going concern is tricky. In addition, the limitations on the property market due to the concentrations of property holdings into the hands of the Mahajans, their discount system, their domination of business as a whole and the most profitable businesses in particular has heightened the difficulties of non-Mahajans trying to compete against established concerns. At the same time, Mahajan cultural homogeneity strengthens the boundaries against outsiders as shown by their avoidance of non-Mahajans as business employers. This type of economic strategy—minimising competition amongst themselves whilst loading the economic dice against others means that Mandi's economy, therefore, neither has perfect competition nor monopolistic competition but competition among the few: an oligopoly. Oligopoly is the market situation in which a product is supplied by a small number of firms whose activities and policies are determined by the expected reactions of one another. The essence of oligopoly is thus mutual interdependence between firms. Since each firm knows that a decision about its price or output will affect others, it must judge its policy by their likely reaction to it. In perfect competition and monopoly it is possible to anticipate from first principles what are likely decisions but oligopoly creates special problems of analysis. As each firm acts with reference to expected reaction and subsequent interaction,

there is much uncertainty . At the theoretical level, then, oligopolistic competition is like a game of cards, a diplomatic battle or a contest in strategy. However, in the real world, the uncertainties of oligopoly encourage policies of seeking a quiet life rather than maximizing profit <sup>5</sup> (Pred, 1969; Simon, 1957, 1959). I shall return to this point in a later chapter.

## CHAPTER FOUR

## THE MERCHANT COMMUNITY

## INTRODUCTION

The purpose of this chapter is to define the boundaries of the traditional merchant castes and investigate to what extent they constitute a moral community. So far, to reduce unnecessary complexity, the terms 'Mahajan', 'merchant castes' and 'business community' have been used without precise definition. It was pointed out that there are many more castes participating in trade and commerce than those castes which traditionally are collectively styled by the term 'Bania'. As Fox has indicated, Banias are not a real caste but a status category and it would be wrong to treat them analytically otherwise. (Fox, 1967, p. 298). Millman makes the point in a slightly different way when he asserts that expatriate Marwaris tend to have more in common with their Bania counterparts in the region in which they are currently residing than they do with people from their own jati residing in different regions (Millman, 1954, p. 13). Is it possible therefore to speak meaningfully of a merchant community coterminous with a category of traditional merchant castes? If there is indeed a merchant community, where are the boundaries and how is membership decided and proclaimed in an urban multi-caste context? In a situation of rapid population growth due to migration, how does a newcomer household become integrated into the community? What, if any, institutions exist to reconcile the fact that merchant households simultaneously cooperate and compete with each other? Are there any patterns of leadership whose function is to resolve quarrels and provide authoritative models for upward mobility? These and other relevant questions will be asked in the present chapter.

## THE MERCHANT CASTE CATEGORY<sup>1</sup>

Belonging to the traditionally authenticated category of castes which go under the name of 'Mahajan' implies recruitment by birth into one of a small number of named, endogamous social units called jatis. In Mandi there are four of these: Agrawal, Khandelwal, Oswal and Maheshwari, though altogether the Marwari Mahajan jatis total about a dozen.<sup>2</sup> Jati is used interchangeably with biradari locally (as elsewhere in North India) though there are certain differences in implicit meanings.<sup>3</sup> In addition, each jati possesses an individual combination of economic and religious characteristics which designate a particular rank in the local status system. In the case of the Mahajans this status ranking is shared, or common, hence their designation here as a caste category i.e. a collectivity of similar jatis, or castes.

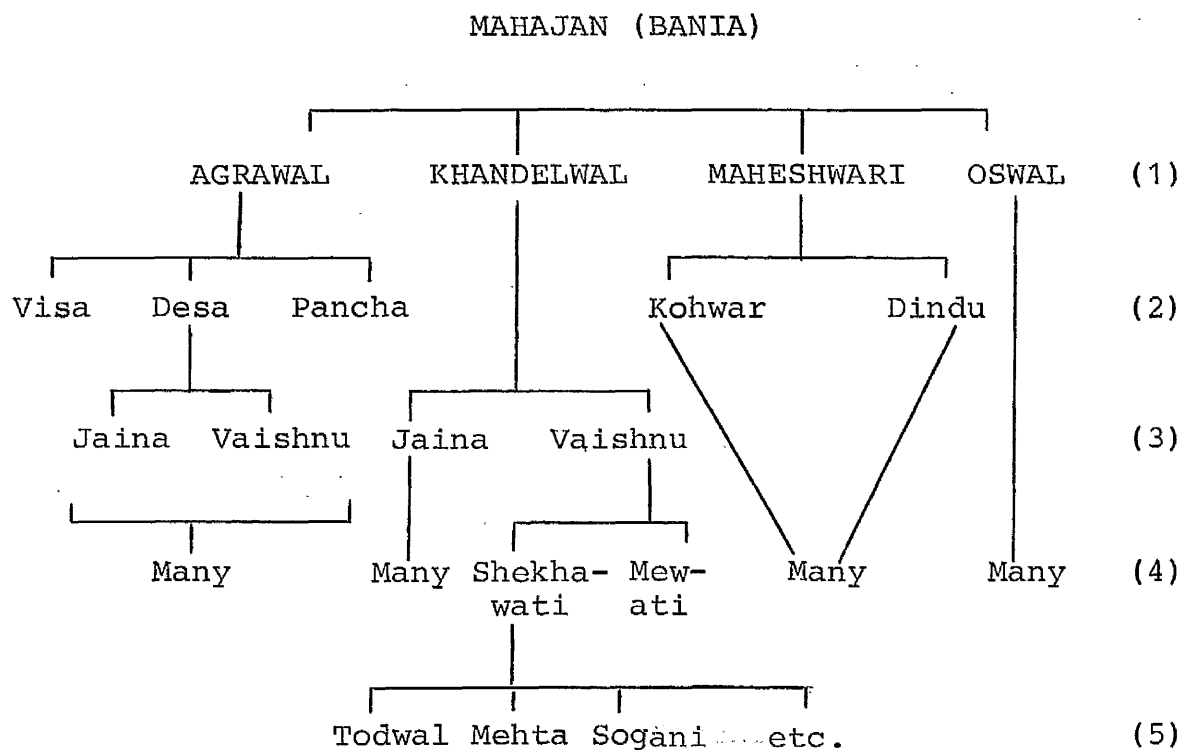
In the majority of village studies, the hierarchical dimension of caste has been emphasised to the exclusion of horizontal spread. Hence stress in research has been on delimiting interactional and/or attributional criteria for identifying castes.<sup>4</sup> However, "Only in relations with other castes is the caste a significant unit" (Mayer, 1960, pp. 5-6). Though perceived as unitary by other jatis, each is subdivided into a number of sub-castes and sub-sub-castes, segmentation tending to proliferate in accordance with the spatial context of the social relations studied. Dumont comments: "If one asks someone 'What is your caste?' (jati) he may indicate either which of the four varna he belongs to...or a caste title, or his caste, or his sub-caste, or even to the exogamous section (clan) to which he belongs" (Dumont, 1972, p. 101). Identity is situational, therefore a respondent in Mandi might reply to the above question that he is Wesh (i.e. Vaisya varna) or Mahajan (caste title) or Agrawal (caste or jati) or Khandelwal Vaishnu (sub-caste)

or Todwal (exogamous section). Another possible response is to give gachcha (sectarian affiliation), thus 49 respondents gave Jaina as their jati and 29 Vaishnu (Vallabhacharya Vaishnava). In an African society the process of nesting segmentation might be termed 'fission and fusion'. Nici Nelson, one of the few Africanists<sup>5</sup> to have studied South Asian society complains that anthropologists have been "mesmerized" by the India caste or ritual systems (Nelson, 1980, p. 19). This insistence on referring everything to the varnas and the Vedas has been responsible for futile searches for the 'true' or 'real' caste, when in reality socially sustained categories are far more fluid.

If identity is situational, what are the situations? Table 4.1 attempts to summarise nesting degrees of segmentation. Thus commencing with the caste category of Mahajan we find that this is a caste title, in fact, the hereditary occupation being designated by 'Bania' (from the Sanskrit Vanij, trader). In common parlance 'Bania' means anyone who is in business regardless of caste, and it sometimes carries the connotation of being sharp with money or involved in shady financial dealings. In some parts of India the terms 'Marwari' and 'Bania' are synonymous with international smuggling and black marketeering of imported luxuries. From this reason merchants in Mandi, as in other places, are uncomfortable with this appellation, since it suggests a lowlier status than they would prefer. Consequently, whilst they are not ashamed of their occupation, in the way that a scavenger or shoemaker would be, they generally use a different term of reference for themselves. This term is 'Mahajan' and out of deference to their sensibilities this is the name given to the caste category here.

TABLE 4.1

CASTE SEGMENTATION AMONGST  
MAHAJANS IN MANDI



Within the caste category, the first order of division is primarily on the basis of place. According to Hemchand Jain, several castes among the Vaisyas are known (my italics) to have come into existence after the seventh century AD, taking their identity from ancient towns and cities. Thus "the Jaina saint, Ratnaprabha Suri is known to have visited Osiā, Srimāla and Pāli where he converted the people to Jainism, and formed the castes of Osavālas, Srimālis and Palivālas respectively after them" (Jain, 1972, pp. 566 ff). Thus, he argues, the Khandelavāla, and Bagheravāla caste would appear to have originated from Khandela and Baghera respectively and the Maheshwaris from Didwana—the caste being known by the dimi-



native Dindū in early times, this presently referring to one of the next levels of segmentation which will be discussed below. The Jaisavāla caste of Jains came into existence after the twelfth century AD, when Jaisalmer was founded, and so on. Badlu Ram Gupta similarly asserts that the Aggarwals "get their name from the Agragan State founded by the Maharaja Agrasen some 5,000 years ago, near the time of the Mahabharata...Agroha which is now in ruins and forms part of Hissar District of Haryana was its capital" (Gupta, 1976, p. 2). He argues that the name of the jati could therefore be Agra-wal, and this, indeed, is how it is pronounced in Mandi.

This type of subdivision is also found among Brahmans (Shah, 1978) and ideally each division of the latter is anticipated to work for the corresponding division of Banias. Therefore, Paliwal Mahajans are jajmans to Paliwal Brahmans, Khairawal Brahmans officiate as priests for Khairawal Mahajans and so forth. In reality, corresponding divisions tend not to be found in the same vicinity (for example there were Paliwal Brahmans in Mandi but not Paliwal Mahajans) and even when they are, the ideal patron-client relations may not be found. So, for example Jains call pandits to perform life crisis rituals who are not Brahmans or even ex-Brahman by jati. These men (and women?)<sup>6</sup> are individuals with a knowledge of the scriptures and of priestly duties, born into families/lineages regarded as learned. Informants were emphatic that being a guru or sidha (spiritual guide) rested upon achieved rather than ascribed criteria. There can be little doubt, however, that accident of birth into an appropriate lineage was not insignificant. The point here is that Brahmans and Banias are both very largely urbanites, resident side by side, subdivided into many jatis, all of which are endogamous, each having halls or temples for meetings and marrying, and supported by funds supervised by councils of elders. At the ideological level the supposed correspondence of jatis is an

attempt to come to terms with urban complexity and spatial mobility. It also reflects the necessity which the more progressive and outward-looking of the bazaar population feel for finding a similar nationwide organisation in 'modern' terms. This has found expression in the development of caste associations, which will be discussed in a subsequent section of this chapter.

The second level of segmentation is division into endogamous units called visa (20) dasa (10) and pancha (5). But what are these twenty, ten and five? Discussing the segmentation of castes into numbered rather than named units Dumont cites Blunt's account (1931) of the Agarwals of Punjab and Gujerat "who have the 'twenty' (and 'superior') and the 'ten' (inferior)" (Dumont, 1972, p. 164). The two divisions are endogamous but "it is not surprising to find the same exogamous groups represented within the two divisions". Fieldwork data suggests that while the terms appear to imply hypergamy (and therefore asymmetrical exogamy), and the triplefold aggregation of exogamous maximal lineages, in practice their meaning is uncertain and confused, even irrelevant. Lack of a name would apparently signify lack of fixed meaning in terms of social organisation. At the level of theory, these unnamed categories could possibly be relegated to the concept of 'sub-caste'—as indeed Dumont does—but it is difficult to substantiate this assertion and he fails to do so. Perhaps this can best be perceived as indicative of indigenous recognition of the fissiparous nature of the Mahajan caste category and possibly with especial regard to differences of standing within the jati? Gupta argues that being engaged in trade and commerce, Aggarwals are generally perceived as moneyed people whereas in fact, barring a small percentage of rich businessmen and industrialists, the hard core of the community consists of ordinary shopkeepers and tradesmen. At the bottom of the ladder, Aggarwals are scarcely differen-

tiated economically from their counterparts in other communities, some tilling the land<sup>7</sup> joining the army and entering the Administrative Services. (Gupta, 1976, p. 8). The point here is that the internal logic of hierarchical inter-caste relations argues towards equivalence regarding intra-caste relations, which is patently not the case where status differentiation is pronounced on economic grounds.

The third level of segmentation is into ekdas or gols (units or circles). This corresponds to an even smaller unit of endogamy. Each of these is associated with distinct myths of origin (see Millman, 1954, for an exhaustive narration of these) coupled with individual tutelary deities and separate puranas. Usually they are governed by different marriage rules corresponding to differences concerning diet, commensality and contact. Shah (1978) has argued that since in Ahmedabad ekdas inhabit different streets, the compartmentalisation of caste among the Banias instead of hierarchy is therefore emphasised. Separate residence of ekdas and gols was not observed in Mandi, presumably because the lesser population of the bazaar as compared with one of India's great cities has not permitted full rein to this spatial assertion of exclusiveness, or at least not in a visible way.

Division into ekdas is principally on gachcha lines: thus as pointed out earlier there are Khandelwal Vaishnus and Khandelwal Jains and Agrawal Vaishnus and Agrawal Jains, all of which are again endogamous. Sometimes marriages are arranged in contravention of the rules of vaniakapta (i.e. those with whom there are commensal relations). Thus Agrawal Vaishnus may on occasion marry Agrawal Jains. Six examples of such marriages were discovered during fieldwork. However the rules governing permission to break the rules vary according to distance between levels of segmentation. Prohibition of marriage is much more severe at the first level of segmentation,

for example between Khandelwals and Agrawals, than at these 'lower' or 'smaller' caste subdivisions. This is not, though, readily explainable in terms of bifurcation, since Khandelwal Vaishnus and Khandelwal Jains clearly refrained from inter-marrying. Here, again, therefore there are several units of endogamy, not just the one, and more overlapping of social relationships at lower orders of the caste. Presumably, further fragmentation is possible or conversely two ekdas could combine? This has been documented for other jatis (for example: Karve, 1953, pp. 157-8).

The last level of segmentation above the exogamous lineages is the tat (third). Thus two, three or more tats combine to constitute one ekda of one jati. An alternative meaning for tat is 'faction' suggesting that they result from conflicts between ekda or possibly jati leaders. Difference, rather than status, is emphasised amongst these splinter groups and it may be asserted as a general rule that the greater the segmentation, the less the stress upon hierarchy as a principle in social interaction. (excluding, of course the socially sustained differentiation between parties to a marriage alliance, such that wife-givers are inferior to wife-receivers, this being signified by a refusal to return daughters in exchange for daughters-in-law). Every household head is therefore the head of the minimal patrilineage, or khandan and so is a petty chief or malik, equal in status in structural terms to all other Mahajan maliks. Only on an individual basis can leadership extend across the mercantile community resident in the bazaar. This is, however, anticipating a question best discussed in a subsequent section. The subject is mentioned in this context simply to round out the picture of situational identity categories.

Thus the cognitive map of any individual Mahajan can be depicted in terms of five levels of integration:

- 1) with his lineage (khandan)
- 2) with his marriage circle (ekda/tat)
- 3) with his caste (jati/gachcha)
- 4) with other Mahajans in Mandi
- 5) with Mahajans elsewhere including overseas

Looking at the world from the perspective of Sital Prasad, a local merchant, this is the pattern of relationships which emerges:

- 1) Sital Prasad Todwal (as opposed to Sogani, Jhalauna etc.)
- 2) Shekhawati (as opposed to Mewati)
- 3) Khandelwal Vaishnu (as opposed to Jaina)
- 4) Mahajan (as opposed to Bania)
- 5) Marwari/Rajasthani Vani (as opposed to Gujarati, Bengali etc. and firengi: foreigners)

By way of concluding this section it may be said that a mixture of orders is typical of small towns and cities. This is functional insofar as Mahajans are seldom rural and the proliferation of segmentation within the caste category (a) provides a kinship framework into which lineages can be inserted at the conceptual level; (b) permits the fluidity of marriage alliances within the over-riding ordinance of caste endogamy; and (c) accordingly legitimises both spatial and social mobility. Hence in view of the foregoing it may be suggested that a focus on the horizontal dimension of caste demonstrates the principle of compartmentalisation or separation and exclusivity, as opposed to the principle of hierarchy as a basis for social interaction. The difference between this and Dumont's approach is summarised diagrammatically as follows, using the binary oppositional method:

HIERARCHY	;	HYPERGAMY	;	INCLUSIVENESS
<hr/>				
SEPARATION	;	ENDOAMY	;	EXCLUSIVENESS

## FROM CASTE CATEGORY TO MERCHANT COMMUNITY

Though geographically isolated, as a trading settlement Mandi has never been a closed community in the sense in which this is applicable to a remote and isolated tribe. Many Mahajans, being relatively recent migrants, retain a basic extra-bazaar orientation and all maintain links of some sort with individuals and groups outside the locale. These links can be with other businessmen, belonging to the same or different castes, both inside and outside the bazaar, or with non-businessmen, again both local and extra-local (Cottam, 1980). The construction of boundaries is a primary requirement for any anthropological study but the problem of community delimitation is made acute, in studying merchants and traders. A second problem, is that the population is never constant. Periodically, in the past, large numbers of merchants have left the area in search of a more favourable milieu particularly in times of famine and pestilence. Most businessmen make trips to the big cities several times per year in order to replenish stocks, pay bills and discuss business affairs. To what extent therefore is the category of castes described above representative of social unity?

The proliferation of segmentation within the caste category provides a conceptual framework into which a newcomer household can be placed. Even so it will not be immediately accepted as Mahajan unless certain other behavioural characteristics of the household are perceived as conformable with socially sustained norms of appropriate lifestyles. The most important of these are language, diet, and dress.

### a) Language

The use of secret language for business transactions and among themselves by Marwaris is a firm belief across Northern India. Certain colonial administrators also subscribed to this

idea (e.g. Crooke, 1896, who likens it to the secret "thieves language"). G.A. Grierson (1909, pp. 367-68) mentions that Marwari is "written in a peculiar character, the aspect of which is familiar to every Indian official who has had occasion to inspect the accounts of native bankers". The use of Marwari language and script by traders from the Shekhawati region in for example Calcutta, wherein Bengali (which has a distinct script and vocabulary) was the dominant mode of expression in business other than English, may have fostered this idea. In any event, Marwari is now intrinsic to the cultural tradition which the expatriate Mahajan claims as his birthright and distinguishes him as a cultural isolate within the larger business world.

Back at home, the greater literacy of Mahajans, promoted by the needs of trade and commerce, appears to have encouraged the stabilisation of a fairly group-specific dialect into a more rigid linguistic form. The proliferation of dialects tends to be inhibited with the decline of illiteracy as a general rule. In this context the influence of Persian upon courtly communications within Jaipur State has been already noted. The Mahajans of Mandi thus pride themselves on being a haven of elegant language in an ocean of uncouth speech and upon being 'learned'. It is a fact that by judicious choice of words Mahajans can become unintelligible to Tonkra (Tonk State) customers, whilst continuing to understand them, which amazes the unsophisticated villagers. This is similar to the Sanskritisation of Indian Radio and Television broadcasts and the Persianisation of the Pakistani services and its purpose is similar. Language is a symbol of group/ethnic identity and both separates and enfolds, hence it is instrumental in strengthening group boundaries.

In helping to eliminate regional cultural differences in migrant Mahajan families to Mandi the sense of a common shared

language has been vital. It has also helped to minimise social differentiation based on caste and lineage differences within the status category. The literacy of Mahajans, in Marwari or otherwise, has another important consequence, in that it has helped the growth of regional and national caste associations which 'promote' a sense of shared identity. Lastly the feeling of superiority engendered by 'cultured' speech and access to the copious writings in Marwari script of a literary and religious nature erects a barrier against assimilation by a wider society sharing similar linguistic characteristics. In this way the Mahajans of Mandi resemble the 'learned families' in the Lebanese village studied by Peters (1977).

#### b) Dress

Dress is an immediately obvious distinguishing feature by which Mahajans separate themselves from their neighbours and recognise each other as culturally homogenous. This is also linked to the status of women. Mahajan women observe strict purdah (seclusion, also veiling) as do the Brahmins, Rajputs and Muslim women of the market town. This means that they rarely leave the house after puberty and life is lived indoors. On the streets, however, Muslim women wear a burqa (tent-like, enveloping outer garment). In contrast, whilst veiling is also observed by Mahajan women out of doors, the garment chosen is an orhni, similar to the chadar (sheet) worn by lower status Muslim women but worn completely over the face and therefore less opaque. Seclusion of women is a general, culturally-recognised status strategy throughout Northern India, but total 'invisible' veiling is negatively associated by Hindus with Islam. The problem therefore in managing secluded status is to avoid negative stereotyping into an alien religious grouping whilst at the same time asserting privileged demarcation vis-à-vis villagers and others whose women do not cover their faces.



The problem is complicated by the fact that the sari is adversely associated by Mahajans with Brahmans and filmstars and that Rajput dress (mid-calf length flared and gathered skirt or ghagra, veil and backless bodice) is thought to be indecent because the legs are revealed. It is also associated with village life, since freedom of movement is necessitated by work in the fields, and Rajasthani village women often wear relatively brief skirts. The solution of Mahajan women is a modified version of Rajput dress, wearing churidars (rather like jodhpurs) under the ghagra and a knee-length smock-like blouse instead of the backless bodice, thus ensuring that the body is decently covered.

The self-consciousness with which dress is worn as an indicator of difference and insubordination extends also to the male sex. Mahajan men (and women) avoid synthetic fibres, for example, since these are connected with the west and therefore with moral depravity. "Just the feel of silky cloth makes you think of sin" said Phul Chand, one of the most extreme of Mandi's conservative merchants. Preferred dress consists of an embroidered white muslin kurta (tunic) and dhoti (sarong) and pale pink turban worn mop-like in Afghani fashion. It emphasises freedom from manual labour and suggests spirituality, ritual purity, and again scriptural learning. Thus a barrier is erected against lower status castes and reinforces claims for a higher status than castes which are customarily accorded an equivalent or superior ranking, in an all-India framework—though it may be added that for other castes this style of dress has connotations of effeminacy, particularly the skirt-like arrangement of Mahajans' dhotis.

#### c) Diet

Diet is another important criteria in establishing and maintaining identity. All Mahajans are vegetarian and consume neither alcohol nor tobacco. Though meat eating is not common

in rural India, in Rajasthan it is associated with the Rajputs as a high status item of consumption. Thus 'not being a Rajput' once more takes on critical importance as a determinant of social identity. Vegetarianism is taken to extreme degrees due to the stress upon ahimsa (avoiding violence) and to an extent perceived by other castes in the vicinity as eccentric.

TABLE 4.2

PROHIBITED, PERMITTED, AND PREFERRED FOOD ITEMS

Prohibited	Permitted	Preferred
<u>Meat and Meat-type</u>		
Meat H/L/P		
Fish H/L	None	None
Eggs H/L/P		
<u>Food grains</u>		
None	Rye	Rice C
	Wheat	White flour C
	Barley	
	Oats	
	Millet H	
<u>Pulses</u>		
<u>Kesari dal</u> Po	<u>Mung</u> C	<u>Channa</u> H
<u>Kabuli channa</u> H/P	<u>Moth</u> H	<u>Channa-dal</u> C
	<u>Mash</u> C	
	<u>Masur</u> H	
	<u>Malak</u> H	
	Gram H	
	Red beans H	
	Black eye beans H	
	Peas H	
<u>Leafy vegetables</u>		
Cauliflower L	<u>Kariphulia</u> H	Coriander leaves C
Leeks L	<u>Spinach</u>	Mint C
	Mustard H	
	*Cabbage	

Contd. ....

TABLE 4.2 .... Contd.

Prohibited	Permitted	Preferred
<u>Root vegetables</u>		
Carrots S	Potatoes H	Sweet potatoes H
Turnips S	*Radishes C	
Onions S/P		
<u>Seed bearers</u>		
Aubergines H/P	*Tomatoes H	Bananas C
Paw-paws H/P	Capsicum C	Apples C
Pomegranates H/P	Melons C	Grapes C
	Cucumbers C	Oranges C
	Squashes C	Lemons C
	Mango H	
	*Guava L	
<u>Dried fruits</u>		
Dates H	Apricots H/P	Sultanas C
Figs H/L	Peaches H/P	
	Raisins H	
<u>Nuts and Seeds</u>		
Walnuts H/P	Coconut H/R	Almonds C
Pine nuts H	*Groundnuts H	
	Poppy seed C	
	Ajwain C	
	*Sunflower H	
	Sesame C	
	Cashew H	
<u>Spices</u>		
Garlic H/L	Coriander C	Saffron H
Ginger H/L	Cumin C	Black cardamom C
Chillies	Cardamom C	
	Cinnamon H	
	Nutmeg H	
	Cloves H	
	Tamarind H	
	Turmeric H	
<u>Preserved food</u>		
Bottled	Home prepared	Clarified butter H
industrially D	pickle chutney	
Tinned	and preserves	
industrially D	Dried milk H	
	*Vegetable oil H/D	
Vinegar D	Brown Sugar H	White sugar C
Honey H/L/D/P		
		Contd.... P/

TABLE 4.2 ..... Contd.

Prohibited	Permitted	Preferred
<u>Stimulants and drugs</u>		
Alcohol H	<u>Bhang</u> R/C	Kulfi C
Coffee H	Tea? C	<u>Sherbet</u> C
Tobacco H		
<u>Milk Products</u>		
Cheese H/D	Yoghurt C	All of these
Non-cows milk H/Po	Buttermilk H	(except butter-
	Milk C	milk)
	Cream C	
	Butter H	
	<u>Lassi</u> C	

## KEY:

- H= Hot/heating
- C= Cold/Cooling
- L= Life bearing
- D= Decaying
- P= Passion-inducting
- Po= Poisonous/bitter
- R= Ritual use only

- NOTES: 1. All preferred foods are permitted, therefore to avoid repetition, items have been included only once in the table.
2. Some items such as honey, sugar and clarified butter are not strictly preserved foods as such, but because of their preservative function have been allocated to that category.
3. Items marked with an asterisk are not consumed by Jains, though they are eaten by Vaishnavas.

Table 4.2 summarises prohibited, permitted and preferred food items amongst the Mahajans and it will be noticed that certain fruits and vegetables are avoided in addition to meat. Leafy vegetables such as cauliflowers and cabbage, and root vegetables such as potatoes and carrots are avoided because they harbour tiny grubs which might be eaten unawares. Everything comestible is therefore washed and dried very carefully

before further culinary preparation so that minute animal life is not cut by the knife and life taken. The water itself is strained through muslin to remove little insects and worms which might otherwise be accidentally consumed and destroyed.<sup>8</sup> The stress on avoiding taking life extends to the non-consumption of onions, ginger and garlic and other plants which germinate if left in dark places and of vegetables and fruits which contain lots of seeds such as aubergines, tomatoes and chillies. Seed bearing fruits, furthermore, along with most palatable spices, have the added danger of exciting the passions, causing the dreaded sins of lust and anger.

Sectarian differences place different emphases on the explanations underpinning these dietary prescriptions. Jains argue that food which has not had the benefit of sunlight is harmful, hence they must also prepare and consume meals after dawn and before dusk, saying that they wash food items to avoid mistakenly taking life. Vaishnavas assert that food which has been washed is also 'purified'. However it is fairly clear that they intersect on the central theme of avoiding accidental killing. It is the similarities rather than the differences which are apparent (though there are some). Hence intermarriage between Agrawal Jains and Agrawal Vaishnavas does not pose a problem regarding culinary preferences and the new daughter-in-law usually minimises strife by acquiescing in prevalent patterns of food preparation and consumption.

It can readily be deduced from these culinary restrictions that the Mahajan diet is a limited one, hence their popular nickname dhalbattis, for rice and lentils are more or less the sole preferred staple foods and least controversial consumption item. But are these not also life-bearing seeds? Most Mahajans prefer not to face up to this contradiction though it does cause mental anguish for thinking individuals who perceive the dilemma. Hence Gyan Chand could assert, feel-

ing foolish, that "Food is the cause of all sin and disease in this life. The only way to achieve good health in mind and body is not to eat". Not surprisingly, the supreme act of ritual piety for Jains, who are even more extreme in this regard than the Vaishnavas, is to fast unto death!

The rigidity and comprehensivity of behavioural prohibitions affecting Mahajans can only be superficially indicated here. Suffice it to say that, in a subcontinent which has demonstrated, over the years, a great capacity for toleration of a variety of beliefs, the pernickety behaviour of Mahajans is more than most can readily stomach. Austerity, asceticism and what Nehru has called "touch-me-not-ism" coupled with a high degree of entrepreneurial ability is an uneasy combination. Throughout the world social, ethnic or religious distinctions separate the trading community from the rest of society and whoever undertakes business and therefore the taking of a profit has to accept some degree of social ostracism. By taking money for supplying goods and services the reciprocal ties of mutual obligations, which are at the basis of social life, are implicitly denied. Merchants and traders are therefore regarded as dangerous in many societies, exacerbated by the mystery surrounding the creation of wealth. Harris asserts (1977, p. 100) 'àpropos of millenarian cults in the South Pacific "there really is a cargo mystery and the natives are justified in trying to solve it". This is not just confined to primitive people; were wealth not a mystery, the 'permanent' state of financial crisis affecting the western world would not exist. There is a widespread belief that businessmen are consummate rogues, preying upon the ignorance, greed and gullibility of their fellow men. The logical incompatibility of ritual piety and overt materialism augments this social ostracism.

Hence Mahajans are nicknamed kanjus (misers) and makkijus (fly-suckers). They are ridiculed for their extreme passivity and peaceloving natures, thought to be the result of overtaxing the brain with mathematical calculations and diverting shakti (energy, force) from the muscles. They are denigrated for being unsociable and antisocial. These social traits comprise the traditional stereotype of the Bania reported elsewhere in India (e.g. Fox, 1969; Hazlehurst, 1966; Lamb, 1959 et al). Humorous stories abound, depicting the typical merchant as aging, fat, lecherous, slippery and ugly. Non-Banias are not being polite when they say that the Banias (i.e. Mahajans) have a knack for business, that it is "in their blood".

Dislike is mutual. "A shopkeeper" said Ratan Lal Jain, himself a petty shopkeeper, "is frequently dirtied, having to deal with such things as grains, spices, salts, sugar, jaggery and oils. Besides, in his business, he has to deal with customers belonging to all castes and ranks and to accept money touched by them" (quoted in Mathur, 1964, p. 154). The erection of a boundary based on mutual negative stereotypification and the inevitability therefore of self-sustaining exclusiveness is reminiscent of racial/ethnic barriers elsewhere. In this instance, Mahajans resemble marginal or minority groups who are commonly excluded from the mainstream of social activities whilst associated with a particular economic niche.

Barth (1970) and Gist and Wright (1973) have isolated specific aspects of group marginality: the existence between groups of customary or legal barriers which disqualify members of one group from inclusion in the other, despite the fact that they are in some sort of functional interdependence, and the perception by one group that the other is an object of emulation or identification. These barriers are maintained by discrimi-

nation on the one hand and pressures against betrayal by assimilating on the other. In the Mahajan case, the attitude of non-Banias towards business, which they consider to be parasitic, anti-social and degrading has undoubtedly contributed to their monopoly of a privileged economic position. At the same time, exclusivity frees Mahajans from the demands of friends and acquaintances for 'special concessions' which, Leach argues (1961, pp. 130-131) prevents a man from running a successful business in his own village. Thus marginality becomes an asset in the business context.

#### RITUAL AND VOLUNTARY ASSOCIATIONS

There is nothing however comparable to the institution of Friday prayers amongst the Tijjaniya sect of the Hausa in Ibadan (Cohen, 1969b) which is expressive of community identity in Mandi. Nor is life, as it is for the Goan Christians in Karachi (Haward, 1980, p. 313) "lived to the sound of church bells". Collective religious fervour is in fact noticeably lacking. Most Mahajans prefer to perform puja in their shops and offices instead of in the temples. This will be described in more detail in chapter five. Temple-going, like arti (morning and evening household prayer) is regarded as essentially a feminine preoccupation and, except for the visits of Vaishnava and Jaina gurus during the cold weather and the monsoon periods, tends to be either avoided or neglected by men. Worship is meditational not congregational.

Nonetheless, religion does play an important part in determining identity and demonstrating community membership as well as providing socially approved avenues in which leadership can be displayed. This takes the form of committees and associations for maintaining schools, temples and dharamshallas, organising outings and picnics, giving alms to the gaushalla, executing the accounts of temples, widows and orphans, subs-



cribing to festivals and performances of mystery plays. There are committees and associations performing other community services such as supporting the maternity home, and also caste and business associations which are more self-interested. The integrative role and expressive function of these ritual and voluntary associations and committees is the subject of the following section.

a) The Ramlila Committee

Ramlila consists of a week-long series of plays, based on the Ramayana, held every year as part of the festivities associated with Dasehra. In the past the plays were the responsibility of the local thakur but now, as elsewhere in Rajasthan, the abolition of the jagirdari system has made this impossible. Troupes of actors are now maintained by Ramlila Associations in most of the district headquarters of Shekhawati region so that the plays can continue to be performed. These are committees of rich Mahajans whose avowed intention is "to bring the Hindu scriptures to the villages" and they have a central headquarters in Jaipur. There is a competitive spirit amongst them to maintain good troupes and new branches are continually being established throughout Rajasthan. In addition to the plays the Ramlila Committee also arranges the bonfire in which the effigy of the demon king Ravan, abductor of Sita, and of Ram and Hanuman are consumed after procession through the bazaars and out to the Dasehra Ground (see Map 2.1) as a climax to the proceedings.

The Committee is a self-selected association drawn from the young adult males of the wealthier Mahajan families of Mandi. This group meets regularly every evening in the tea-stalls by the Bus Stand, occasionally making an expedition to the cinema at Tonk on their motorcycles, sometimes accompanied by a few young married men. Mostly, however, it is composed of boys who have left Higher Secondary School and

are not yet married. A disparaging name for this group could be "the motorcycle gang". It is expected to be modern in outlook and energetic. Arrangements are flexible—in 1974/75 the troupe came from Jaipur and performed on the thikana; in previous years actors have come from Nagaur and Pilani and performed in the Chaturbhuji Temple forecourt. They are paid by a seth who acts as a banker for the funds which the committee collects and a grant from the Municipal Board. Funds are collected mostly from Hindu Mahajans (although many Jain families do contribute) and are donated by a wide spectrum of families. The names of subscribers are recorded and announced publicly at the start of every play.

b) The Gaushalla Committee

Another important ritual association is the Gaushalla. This is a sanctuary for cows at which owners may board their barren and decrepit animals free of charge. The police also round up stray cattle from the bazaars which have fallen ill. Sheds and pastureland are provided so that they may be nursed back to health. An annual subscription is raised to supply supplementary fodder in the winter months, to pay for the services of cowherds to attend to their welfare and milk them and to contribute to the upkeep of the stables within a small compound.

Supported as it is by public subscription, this is another way in which membership of the community of merchants can be advertised and religious merit acquired. Historically the cows appear to have been associated with the Jagganath Temple, under whose walls the Gaushalla now stands. The impetus for a communally supported herd seems to have derived from the prohibition of cow-keeping in houses as an anti-plague measure in the early years of this century. Cow protection and veneration is primarily associated with Hindus, but, again, Jains do make contributions for cow maintenance.

Once a year in Kartika (Nov/Dec) which is the holiest month for Hindus, there is a Gavastami when the boarders are adorned with garlands and tassels and purohits make a puja of gram for them. In the afternoon prominent members of the Committee make speeches concerned with the purity of the panchgavya (five sacred products of the cow: milk, butter, curds, dung and urine). A programme is circulated with the names of the subscribers, their business interests and the amount given. Finally there is another collection of money and the name and amount announced to the audience.

Such an occasion is an opportunity for Mahajans to play at the politics of respect with State and National politicians. And so, guests of honour during fieldwork consisted of the Chairman of the Municipal Board (an untouchable), the Jain pandit, the Block Development Officer and the Home Minister of Rajasthan from the Legislative Assembly in Jaipur. Therefore, although membership of the Gaushalla and more importantly its Committee is loose and by self-appointment, it is subject to the approval of peers and drawn from the leading families of the bazaar. It is infinitely more serious in scope and spirit than the Ramlila Committee (which is a committee in name only) and essentially the hard core consists of the elders of the community, the two to three dozen or so maliks around whom the economic organisation of the market revolves. Consequently, at their meetings, matters of greater importance than the state of the cowsheds may be discussed, as the opportunity when all are gathered together in one place presents itself.

#### c) The Temple Committee

There are three temples principally patronised by the merchant community: the Vaishnava Hindu Temple at the head of the Chathurbhuj Bazaar (from which the latter derives its name) and two Jain temples, one at the far end of the Chauhati Bazaar and

the other in the mohalla. These define the spatial boundaries of the Mahajan mohalla and no significant business is carried on beyond the boundaries of the triangle described by these three points. Thus, just as the religious geography of Pallavaram reflects the concentration of Muslim residents in the bazaar and their social unity (Mines, 1972, p. 40) so in Mandi integrated cooperation in religious activities also is structurally relevant as expressive of group identity and instrumental in strengthening community boundaries.

Merchants get religious merit (punya) social prestige and economic gain from giving financial support to these three and the myriad of small shrines and temples situated off the main bazaars, and to the three temple schools which provide a traditional education for their children. Each institution has a committee to administer the finances, six to seven maliks of prosperous Mahajan families. For example, the New Jain Temple Committee consists of Manak Chand, Kesar Chand, Phul Chand, Rattan Lal, Gujar Mal and Bajrang Lal, the last two of whom are oil mill-owning entrepreneurs. The committee is chosen by the Maharaj Guru every three to four years in consultation with the temple congregation, that is, with opinion leaders, when he visits the town. As in the case of Vaishnava gurus, the visits are sponsored by leading families.

It was impossible to gain data on the size of temple funds but they must be considerable. Some indication can be gained from the following two examples, bearing in mind that there are many other occasions if not so grand. The first is Mahavira Jayanti (Mahavira's Birthday) held every April. During fieldwork, Rs.20,000 was collected by subscription among the Jain community to pay for the idol to be processed from the old Jain temple to the new Jain temple and back again. The streets were decorated with bunting of gold and silver paper and specially washed and swept for the occasion. The

festival, which included two bands with dancing 'girls' (actually transvestites - hinjras) cost 'more than that' to stage, though 'much of this' was recouped from spectators. A young married couple from the merchant household donating most money (Rs. 11,000) was paraded through the streets on the back of an elephant, which was sponsored by the firm of Gambhir Mal - Rattan Lal.

Jain informants asserted that this was a relatively minor affair compared with the three day mela held every third April. Shops close from dawn to dusk for six days so that Jains can attend plays on the life of Mahavira at the Jaina Samaj. On the last occasion the Maharaj Guru had landed by helicopter on the forecourt of the new Jain temple whilst a light aircraft showered the town with rose petals. The staging of the performance cost an estimated Rs. 40,000 also raised by public subscription amongst the religious community.

Showy donations and theatrical ceremonies are not however universally applauded, as will be made clear in the following chapter. Nonetheless ritual and voluntary associations provide a stage for the newly rich to demonstrate their wealth in socially approved ways and they have proliferated as the town has grown in size and prosperity. Social climbers must make more of a show than the old wealthy families to prove themselves 'established'. Making a name is additionally a clear priority area for men like Gambhir Mal, Malik of Gambhir Mal - Rattan Lal, who wish to appeal to a wider audience than the Mahajan community on account of their political ambitions. In this case, though conservative merchants might mutter that he was a moneylender (which takes a low status) peasants and farmers watching the elephant in the parade referred to above would remember its sponsor thereafter in making their cloth purchases, if not in the voting booth.

#### d) Picnics and Outings

During the monsoon season and especially on the first amavas (no moon) friends and neighbours from the Mahajan community go on outings together. Food is prepared in each of the participating households and each consumes only its own. Sometimes it may be ordered from a Halwai who delivers it to the destination of the outing and shares it out so that merchants do not take it from each others' hands. Mostly these are all-male affairs, a favourite spot being the top of the mountain or walking over the saddle to the Jallander-nath Tank. Ladies also go on purdah picnics to the Kalikamandir, which involves no climbing, and can be reached by tonga by the less mobile. Very occasionally there are mixed parties composed of the young married couples of the more modern entrepreneurial families. These are considered an outrage by the others.

A very important occasion for a picnic are the adoption of a child, or a male firstborn, or sacred thread ceremony of a male child. 'Everybody' is invited and arrangements made for conveyance and Halwais. These are actually double picnics, since men and women travel separately and sit separately for food. More organised outings are arranged by the Jaina Samaj to popular picnic spots near temples such as Padampura. Both sects participate. Garlands for Mahavira are placed around the necks of specially bathed idols and later auctioned for Rs. 500 - 2,000. Thus sizeable feasts can be provided out of temple funds. The management of these provides another outlet for community service and to demonstrate therefore community leadership.

#### e) Caste Associations

Caste associations are modern phenomena organised on a regional or national basis. Their function is to serve the general interests of the caste, improve its position in the

status hierarchy and instigate social reforms such as raising the age of marriage. Annual conferences are organised on western models during which legislation of modern inspiration is discussed. Monthly journals are published to popularise these issues and it therefore follows that a critical criterion for inclusion in the sabha or sangat is use of a common language. Other objects tend to be raising educational levels, sometimes by the extension of study grants and providing help to widows and orphans.

Each of the four jatis of Mahajans present in Mandi has an association but one example will describe their common features. The Khandelwal Mahasabha according to Madan Gopal is "an organisation of Khandelwal Vaishnus on an All-India basis to help widows get re-married and to give boys an education". It publishes a monthly magazine, Khandelwal Mahasabha Patrika, which contains news of births, deaths and marriages and advertises educational grants for religious and business studies both in India and abroad. There is also a matrimonial column, with details of the prospective spouses' family background, educational qualifications, personal characteristics, (name, age, gotra etc.) and business interests organised on a city by city basis. A governing body for the Mahasabha is elected every two or three years. Names are proposed and seconded on prescribed forms and members of the association vote by ballot paper. The committee takes members from both North and South India and meets in a new place every year, generally rotating between Madras, Bombay and Calcutta, though in 1974 it met in Jaipur. 89 representatives of Khandelwal family firms from all over India were present, some from as far away as Madras. A working party was nominated to consider the re-marriage of teenage widows and to collect funds for their dowries.

As in the case of temple committees fund-raising is important as an index of community commitment. Many families

give money at weddings to caste association funds, for example, the Todwals gave Rs. 10,000 on the occasion of their youngest son's marriage. Another family firm in Jaipur used to give overseas scholarships of one lakh (Rs. 100,000) per annum until there was difficulty with the government over foreign exchange dealings. As Banwari Lal expressed it: "One is in the caste; one has to give". Lists of benefactors are published in the magazine, which therefore advertises "fully paid-up members" of the caste. In this way caste membership by birth is transformed into a semi-voluntary trade association, like a rotary club or even a trade union. Caste associations in fact have much in common with business associations, the difference being primarily one of scale.

#### f) Business Associations

Whereas caste associations are organised on a regional or national level, business associations are much more place specific. There are organisations of businessmen in all of India's cities and most probably in most of its large and small towns. In Mandi there are four associations: Aarat Vyapar Mandal (grain dealers and brokers) Kapre Vyapar Mandal (cloth wholesalers); Kirana Sanstha Sangh (shopkeepers) and the Tonk District Oil Mill Association. The latter during fieldwork was only one year old, and hence of much less significance in the economic life of the bazaar than the first two, which are very old indeed.

The functions of these associations are very alike. They make sure that labour charges are regulated, buying and selling prices are equable, commodities are properly cleaned, weighed and delivered in good order, and payments are made in the specified time and manner. They also effect commercial introductions and act as guarantors. None is registered with the government, which has a rival institution, the Krishi Upaj Mandi, for supervising weights and measures and so on. Each



has a committee of three: a president (adhayaksha), a cashier (munim) and secretary (munshi). Funds are collected via annual subscriptions of approximately Rs. 50 and also on request which are used for mutual aid during periods of financial stringency or providing reports for visiting government dignitaries, or conveying representations to the government in Jaipur.

An important feature of the associations is conflict resolution. Disputes are rarely signalled openly, but if there is a problem, for example some party to a transaction has not paid for goods, or sent them or weighed them properly, the aggrieved party requests a meeting of the concerned Vyapar Mandal. A meeting is called of all the members who then 'request proofs', that is, collect evidence from both parties. If the difficulty cannot be resolved amicably the committee then declares that the defaulter must pay within a specified period and failing that others will refuse to do business with him. Conflicts provide an opportunity for demonstrating authority and leadership. This is such an important aspect of merchant community organisation that it properly belongs to a separate section of this chapter.

#### AUTHORITY AND LEADERSHIP

In a now classic paper, Marshall Sahlins (1963) distinguishes two patterns of leadership: the Big Man, who achieves power through social and economic influence, and the Chief, who inherits status and therefore power. Mahajan leaders are essentially men of influence not men of power. Leadership is a fairly informal characteristic which does not confer automatic authority over others or power to coerce them in any way. Leadership must be constantly authenticated therefore in social interaction. There are few ways in which a person can acquire office by election and their scope is limited.

The principle of gerontocracy links authority with old and wealthy men, esteemed for their age, which is synonymous with experience, and exercising influence by reason of public acknowledgement of their ability. Wealth as such does not bring influence but a large household in a good location, extensive property holdings and a successful family firm all go together as indicative of competence. Because every Mahajan household possesses some wealth, nearly every malik (as the word itself suggests) is a potential Big Man and can demonstrate leadership by initiating group action of one kind or another. But the basic criteria for authority is the consensus of the community, or a major part of it, that the malik is an important person, or a seth. This is signalled by membership of managing committees for temples and charities, support for festivals and a positive public identity based on the daily round of familial lifestyle.

Social importance derives partly therefore from property ownership and residence in a central part of the bazaar area. Secondly there is a certain 'likemindedness' which distinguishes leaders and by which they distinguish themselves from others. Thirdly there is a customary habituation of friendly and commercial association between important personages. "What seems to characterise the important men more than anything else is their skill in manipulating the exchange system; in other words the degree to which they have established ties with many others through the exchanges" (Heider, 1979, p. 70). Substituting the Mahajans for the Grand Valley Dani, this is in fact a valid assessment of the situation. Possibly this type of leadership is characteristic of societies based on trading activities.

An assembly of elders is called to decide specific issues in case of disputes and this is called a panchayat. 'Panch Parmeswar' say the Mahajans (God is in the five) meaning that

several heads are better than one. The assembly usually intervenes only upon the insistence of other people, sometimes not even parties to the dispute, and when the conflict is such that it starts to affect people not immediately involved. The number is not fixed and ranges from 5-25 depending on the nature of the issue. Membership of the assembly is on sawal (request), recruited by invitations sent out to various elders who then constitute a council. Though membership varies, it is confined to the elders and some men will nearly always be present. Women are never members, although they exercise considerable influence behind the scenes, especially in inter-household disputes. It is considered a breach of good manners to refuse the request to sit with the others and scarcely any excuse is sufficient to plead for exclusion other than a death in the family. Elders assemble at someone's shop or house, from where they go to the houses of the parties to a dispute and possibly to other people's houses to ascertain the sense of community opinion. After some days, they call again or the disputants are invited to take tea in one of the mediator's houses or perhaps in the house of a third party. The atmosphere is informal and effortlessly polite; mediators sit here or there about the room as they choose. All are known to each other; anyone and everyone can speak. Decisions emerge therefore through informal interaction and sometimes lengthy processes of debate.

The assembly of elders serves mainly to co-ordinate and express opinion, by stating and restating the traditional rules of conduct of the mercantile community. Men express their individual opinions and bring their own experience to bear on these occasions. However, though they attempt to bring the gathering around to their own way of thinking, the main aim is to find a convergence of views. The decisions only become final and binding when general agreement is reached. Since all maliks are equal, assembly members recognise common

rights and obligations in achieving agreement but they are reluctant to be ordered by a single, overall authority or even to be bound by the majority view. Unlike other castes, there is no hereditary chaudhuri or entitlement to head the panchayat. The seniormost may be given due respect for his age but is not the prime adjudicator as such. Although he may be requested to pronounce the collective decision, this is out of respect for his seniority and not for his intrinsic authority.

Nonetheless, although leadership is not inherited, presently emerging leaders tend to be the sons of leaders. Boys who grow up in the company of important men learn the skills of leadership. They also partake in the trading nexus of the family firm and assume some of its prestigious economic position. Because a seth is likely to be wealthier than usual, his sons are likely to be involved in more inherited transactional patterns than most sons, and hence have access to a network of influence readily available. This accounts for the fact that one of the criteria for recognition as a leader is belonging to a 'good' lineage.

A panchayat deals with issues requiring collective decision-making for settling conflicts within the bazaar or sometimes extending outside it. An example of this kind of dispute was given in the second chapter. In the past it conveyed the sentiments of the merchant community to the State Government. Disputes of all intensity occur, from a minor irritation which is easily forgotten to major ones that are remembered for years. The wide range of subjects covered includes accusations of unfair business practices, especially the allocation of concerns and property on the dissolution of a former joint household, but also infringement of the rules of marriage and consanguinity, as well as matters of general importance such as raising money for widows or repairing a well. Some examples

are given below of the sort of disputes that arise and how they are settled.

The first example concerns a long standing dispute between kin. Deva Lal had four sons, of whom two, Durga Lal and Giri Raj, were considerably older than the others. When Deva Lal died, Durga Lal became the malik and suggested that he would manage the newly-established commission agency because it was risky and needed experience (which in Mandi is synonymous with age). The other brothers would therefore manage the kirana stores, cycle hire and repair shop and grocery business, these concerns continuing to be accounted jointly. They agreed with alacrity, each believing that he had got the better bargain. As it happened, the commission agency soon became immensely profitable because of the groundnut boom. By comparison the other shops were much less profitable and the long standing rivalry between the two elder brothers erupted into quarrels. Giri Raj felt that Durga Lal had engineered the whole situation for the purpose of humiliating him. Disgusted by the unpleasant atmosphere in the house, the two younger brothers requested that the businesses they managed should be accounted separately as a step towards division of the joint property. Later they moved into another property owned by the family and ownership was transferred to them. Though relations between Giri Raj and Durga Lal had reached the point of no return, Giri Raj refused to move, asserting that he had already been cheated of his rightful inheritance and would not be tricked into losing the house as well. Subsequent quarrels between the contenders became a public scandal, with the elder brothers abusing each other in the streets and even their wives shouting on the way to the temple. Eventually Giri Raj's wife threw some filth from the gutter at her sister-in-law, married to Madan Gopal, a leading merchant, accusing her of siding with Durga Lal. Madan Gopal visited all four of his wife's brothers in turn and with their consent suggested that a panchayat

should be invited to discuss the matter at his house. Four seths were called, who again visited all concerned, and after much tea had been drunk it was generally conceded that the house should be equably divided and that Durga Lal should divert enough capital to Giri Raj for him to expand the grocery business into a commission agency. The division of the house was accomplished within a few weeks but Durga Lal found excuses for not providing the capital and subsequently Madan Gopal came forward with a loan. The rivalry between the brothers still continues, however, exacerbated by the fact that they are both in the same line of business, and both are involved in municipal politics.

In the second example, Vimal Kumar and Gaj Anand were wholesale grocers in Chauhati Bazaar and their shops were adjacent. Whereas Gaj Anand acted primarily as wholesaler to grocery and provision shops in Mandi, Vimal Kumar had built up extensive credit relations with Mahajans running general stores in nearby villages and also with village headmen, who often purchase goods in bulk on commission for their caste fellows. In an oligopolistic situation where goods are identical or very similar, customers are as willing to purchase goods from one shop as another. Hence shopkeepers are concerned more with turnover and customer-sales than with profitability or 'mark up' and the 'stealing' of customers or clients is regarded as a serious problem. Vimal Kumar had to make a business trip to Delhi and closed up his shop while he was away. On return he discovered that Gaj Anand had 'stolen' a number of his best clients by offering credit terms at rock bottom rates, thus putting the business into jeopardy. Vimal Kumar retaliated by informing Gaj Anand's customers that the latter diluted mustard oil with groundnut oil (much less expensive) and clarified butter with vegetable oil, and that even his children were engaged in sorting pebbles of the appropriate size and colour to mix with lentils. By sell-

ing adulterated goods he could therefore afford to give credit on unrealistically cheap terms. The two came to blows and Gulab Chand—a neighbouring cloth merchant—requested Bansri Lal—a prominent wholesale grocer—to call a meeting of the wholesalers. It was decided that both were in the wrong, Vimal Kumar in particular for making such a scene. Both were asked to apologise but Vimal Kumar refused, saying that he was the injured party and had done nothing wrong. Remonstrations proved useless and he left in a temper, after which the meeting quickly ended in disarray. Some days later Bansri Lal, in company with two other wholesalers, extracted a verbal statement from both Gaj Anand and Vimal Kumar that they regretted the incident, under threat that credit could not be extended to people who disturbed the peace of the market place. They were reminded that both had now lost their reputations and everyone would assume they were equally dishonest.

Little point would be served by recounting all the accusations and counter accusations that took place during field-work. More relevant at this point is the fact that despite the emphasis on achieving consensus, an irreconcilable divergence of views is a possibility. In this case the authority of unanimity is lost and the will of the majority becomes unenforceable. This may be because a minority of opinion believes that the sense of the meeting is ill-founded or misguided but more often because it is in their interest to side with the culprit. Disputes therefore sometimes drag on for months, even for years. This is not necessarily due to the seths' failure to determine where the guilt lies but a contest of wills where pride and stubbornness over-ride reasoning capacity and the capacity of the panchayat to mollify rivals. An open split in the community is nonetheless consistently underplayed and minimised. The stress laid upon forbearance and compliance is expressed in such platitudes as: "be ready to give redress for a wrong done"; "be pleasant in your manner

of treating others"; "speak sweetly to your friends and neighbours". This gives panchayat discussions the character of parables or beatitudes instead of a political institution.

Generally speaking then the aim is to avoid apportioning blame and to patch up quarrels before they get out of hand and drag others into the affray. A persistent feature of quarrels between shopkeepers, tradesmen and others is the presence of go-betweens, often self-appointed, who act as peacemakers. These intervene between the disputants reminding them of the virtues of self-restraint and counselling compromise. The role of mediator is socially valued to the point that it is thought better to be a peacemaker than a victor (assuming that there is one). In serious cases the panchayat can take a unanimous decision to condemn a man or household head and to recommend redressive action. If he accepts the decision and makes an apology well and good; if he resists avoidance is begun which starts with social segregation and may extend to economic isolation also. What seems to be of primary importance is the concern for reconciliation or arbitration and to limit conflict rather than to identify and punish the wrongdoer. Only when an individual repeatedly refuses to conform to approved standards of behaviour does a situation arise where even his own kin withdraw their support and the entire merchant community is against him. This seems to be a rare occurrence and I know of only one example, the expulsion of Hari Ram. In this instance, it was felt that he took unnecessary risks in his grain brokerage business and acted without consultation with his clients. Growing suspicion of his veracity as an agent caused accusations of using money deposited with him for personal ends. The ensuing loss of confidence caused a flood of demands for prompt settlement of accounts. Not surprisingly the books failed to balance and Hari Ram had to request an extension of time limits to find the money. As no one would lend him the cash to settle with



creditors a crisis had clearly developed. A meeting of seths was called, in which it was decided that the Aarat Vyapar Mandal should advise other businessmen against further transactions with him. Less subtle pressure was also applied and under coercion he sold his house and business and moved to Jaipur where he now runs a kirana store.

Many serious crimes in Mahajans' eyes, for example using deposits of money held in trust for personal business transactions are either not crimes in the eyes of the law or are minor offences. Offences involving commercial malpractices, such as broken contracts rarely require some sort of financial redress or compensation. If a malfeasant is imprisoned, cronies and kin would purchase his release, or so it is believed. Thus Mahajans have little patience with the official forces of law and order, and administrative corruption is accepted as a fact of life which only the insane rail against. Dan se dosti (money makes friends) is a standard remark. For these reasons, they are thrown upon their own resources for the redress of wrong and more importantly—compensation. As Nathu Lal puts it: "The main thing is to finish the business and get the money back. If you go to court you have to pay fees till you get the damages. If the money still isn't paid, then he gets six months in prison and you get to pick up the costs".

Thus the authority of the seths is supreme, representative as it is of community feeling. The axiom 'live and let live' implying that what is good for one is good for all is a summation of the community of interests which links Mahajans together. Though there is self-interest in preserving the stability of the market place, there is also a sense of duty to one's own kind. Thus when customary techniques of shaming wrongdoers, withdrawing credit, and ultimately using goondas (hooligans) to effect physical expulsion are applied, we see here an escalating rejection of the culprit from the moral

community. To challenge the authority of the seths is therefore to challenge the community and in doing so declare oneself not part of it.

#### SUMMARY

If kinship provides a frame of reference for the process of community formation in a situation of rapid demographic change, religion provides an opportunity for Mahajans to come together in a variety of associations and organisations which permit social unity to be expressed. Belonging to the community also means conforming to sets of norms of behaviour characterised by sobriety: Mahajans must be vegetarian, teetotal, non-smoking and dress in a standard way. It is possible to break any or all of these norms and nothing much will happen—providing that the family business is such that financial support from within the bazaar is not necessary and that actual hostility is not incurred. The family concerned, however, will be disqualified from being a Mahajan and revert to mere Bania status, in the eyes of the community.

Mahajans, therefore, have a strong sense of communal identity and of shared purpose in life. Myths of origin result in a sense of continuity and provide models of being a Mahajan through a common heritage. However, conversely, shared traits do not mean that all live in total peace and harmony. Quarrels over unfair competition and property encroachments can and do occur. Nonetheless the cut and thrust of ruthless business practice is controlled and mediated by business associations and by recourse to the advice of community elders or seths. Belonging to the community therefore implies acceptance of their guidance in solving disputes and misunderstandings. By extension, rejection of their authority and leadership implies rejection of the moral community of Mahajans.

## CHAPTER FIVE

### INDIGENOUS BUSINESS IDEOLOGY

#### INTRODUCTION

This chapter will focus upon the business ideology of the traditional merchant castes. The subsequent chapter discusses the practical aspects of trade and commerce in the town, permitting an assessment of the relationship between traditional ideology and business organisation and the way that it is changing. I commence by briefly discussing the 'family rationale' of traditional business which, some commentators claim, may conflict with positive profit orientation (e.g. Coren, 1967) and constrain dynamic growth. The ritualised nature of business activity for the traditional merchant community will be noted with especial regard to the spatial organisation of the family firm and the recording of business transactions. The family account books, enable some of the domestic goals which affect decision-making to be identified. In particular, they record a number of interesting transactions which show that the goal of founding longstanding reciprocal credit relations, is of social as well as economic importance for Mahajans. In turn, this has important implications concerning the structure of mercantile credit, the lending policies of traditional merchant families and means by which loanable funds ideally are disposed. The chapter concludes by reference to two conflicting models of mercantile roles which this indigenous ideology places before Mahajans and in doing so influences aspirations.

#### A 'FAMILY RATIONALE'

Consideration of 'family rationale' is perhaps particularly appropriate at this point because of a resurrection of int-

erest recently in basic questions about the motivation of economic activity, although since Europeans first came into contact with the Indian family business, it has been the subject of comment.<sup>1</sup> Highly diversified commercially, nonetheless very much an extension of the family, it clearly achieved (and continues to achieve) an efficiency which more western types of business organisation in India have found hard to emulate (Timberg, 1971 and 1973). Recently, a good deal of research has been devoted by economic historians to the Indian business community in the nineteenth century and the superior efficiency of the Marwari firm has been attributed to their continued use of traditional, familial management structures (Timberg, 1978). Commenting upon the Marwaris' struggle with Bengali and Khatri competitors in nineteenth century Calcutta, for example, Kling suggests that the Bengalis more rapidly adapted to the alien western forms of business organisation—which they were often less adept in manipulating than Europeans and thus were often defrauded, or outmanoeuvred (Kling, 1966 and 1969).

Even today "the firm is never conceived of as separate from the family..." (Bayly, 1975, p. 2). The traditional business, firmly centred upon the family, is the form in which 90% of Indian businesses operate (Coren, 1967). The large publicly held corporation continues to be more or less an adjunct of the family which is often its sole supplier and managing agent, thus achieving vertical integration. Typical examples here would be the names of Tata, Birla and Poddar. In its various guises the family firm has been the corner-stone of Indian economic development throughout the ages (Lamb, 1955 and 1959; Moreland, 1920 and 1923).

Because of the one-to-one relationship between family and management the Indian family firm has been supposed to be concerned with reputation, with its status in the community

or vis-à-vis the local elite, with 'the family name' at the expense of profits and perhaps even of viability. Bayly, in his important historical study of Benares merchants, suggests ways in which they differ from the entrepreneur of classical economic theory and asserts: "It is as difficult to explain the rationale of the merchant family in terms of classical economic analysis as the peasant family, and for similar reasons" (Bayly, 1975, p. 2). By the term 'rationale' Bayly appears to mean the logical basis of, or fundamental reasoning behind, the operation of the merchant family as a viable economic concern. However, Bayly falls into the trap of assuming the neatness of another, opposing model of economic behaviour which does not necessarily fit the facts any better. Bayly's work, like others influenced by Chayanov's work on peasants, (for example Kessinger, 1974) deduces a strategy aiming first at a livelihood for male members of the family, secondly at increasing social status and only incidentally at making more money.<sup>2</sup>

According to Sahlins (1974, p. 91) 'Chayanov's Rule' in a nutshell is: "Intensity of labor in a system of domestic production for use varies inversely with the relative working capacity of the producing unit"—that is, productive intensity is inversely related to productive capacity, since the norm of livelihood set by the domestic mode of production cannot adapt to potential maximum household efficiency. Production fixes at a level attainable by the majority of its members which wastes the effectiveness of the most efficient minority. Let any one of these show an unusual inclination to develop beyond the familial norm, increasing resistance and incompatibility will be experienced until internal tensions put the existing family organisation into jeopardy (Levinson, 1971). It is the supposed conformity with this familial economic rationale, expressed as subsistence orientation for the family business, which has led Fox (1968) in his study of

the Banias of Uttar Pradesh, Hazlehurst's (1966) work on the merchant castes of the Punjab and Geertz's (1963) analysis of traders in Indonesia to disqualify their subjects from being 'true' entrepreneurs.<sup>3</sup>

Sahlins has criticised Chayanov's approach on three grounds. Firstly: "All it says statistically is what one would then expect logically; namely the smaller the relative proportion of workers the more they must work to assure a given state of domestic well-being, and the greater the proportion the less they work" (Sahlins, 1974, p. 89). Secondly he argues that domestic groups with relatively few workers are especially liable to fail and this is most certainly the case in Mandi. (In a subsequent chapter ethnographic examples will be given in support of this). Lastly Sahlins distinguishes between production for use or livelihood (subsistence production) and production for exchange, which is crucial, he insists, for understanding the 'irrational' responses of indigenous labour forces to prices and new technology.<sup>4</sup>

However, merchants are not peasant farmers nor for that matter tribal subsistence producers. The underproduction which Sahlins insists (1974, pp. 82-92) is characteristic of the domestic mode of production is not necessarily a central feature of their livelihood. Economic activity, for Mahajans, is unhampered by an orientation towards the acquisition of useful things, usefulness being defined in terms of customarily conditioned requirements which are themselves limited by the exigencies of production for self-use. As exchangers rather than end-users, commodities are acquired for their exchange value as opposed to their use value, the aim being the acquisition of wealth as money, jewellery or real estate. I shall return to this point in more detail below. It is raised here in order to stress that this is scarcely subsis-

tence orientation, in the strict sense of the word.

A major criticism of Bayly's work, therefore, is that he attempts to impose a model of the behaviour of the family farm onto the family firm. These are facts which at second glance do not fit the case in question. A second criticism could be that because of the historical nature of his data, Bayly has assumed a synonymy between business organisation and family motivation which may or may not be the case and either way is unverifiable. Having said that, I hasten to add that his stress on family rationale marks a useful step forward towards a better understanding of the merchant household as an economic organisation. He has shown that supposed irrational, behavioural weaknesses can be subject to rational analysis when the focus shifts towards comprehension of the organisation from the insiders' world-view. A reasoned exposition of certain basic concepts, an understanding of which is crucial for comprehending this world-view, forms following section.

#### PROFIT AND DUTY

Mahajans share a common and accessible ideology of business, ideology being defined earlier as a socially sustained and conscious set of ideas, values, attitudes, beliefs and so on, characteristic of a class or other social category within a society or of an entire community. It could equally be called a world view, which can be discerned amongst other businessmen though in a less explicit and less well-integrated form. Because of their strong sense of belonging to a separate and exclusive community, Mahajans have developed and refined several concepts of cause and effect taken from popular Hinduism into a logical system of ideas, appropriate to their own lifestyle and reinforcing it. This particularistic ideology, like many other items of business organisation,

seems to have diffused outwards from them. They, indeed, assert that this is the case and point to many common features shared with Muslim businessmen (who obviously do not operate within the Hindu or Jain value system) as evidence of mimesis.

A key concept is dharma, translated above as duty, which is frequently inscribed above the gateway of a merchant's mansion on the right side of a painted image of Lakshmi (the goddess of prosperity) while labh is inscribed on the other. The concept of labh means rather more than just profit as given earlier. It is differentiated from faida (profit on interest) and munafa (profit on a deal) that is, profit deriving from purely economic concerns. The meaning fans out to include welfare or prosperity, whether in terms of economic, social or religious advantage or benefit. Labh and dharma accompany the swastika sign for Ganesh (the elephant-headed caretaker of auspicious beginnings and remover of obstacles) in wall paintings in shops. Dharma is, however, a much more abstract concept and occurs in a wide range of contexts bearing a normative connotation throughout North India. Implicit meanings vary from the general to the specific in any particular context.

Surveying common usages of the word in Hindi Weightman (1976) suggests that dharma is used in three ways. It conveys the notion of religion, when used of people treated as individuals; of duty, when used of people viewed as members of classes; and of property or nature, when used of animals and certain inanimates.<sup>5</sup> The central concept balances out as: "the inherent mode of behaviour proper to a(n).." observation supplying the context and inference or religious teaching supplying the missing meaning. By 'classes' Weightman means groupings of persons having some common characteristic, in the present context usually but not necessarily corresponding



to a caste. Thus the appropriate behaviour for a Mahajan is occupationally linked to caste status in the traditional hierarchy but it is also a duty with all the sanctions of religion and somehow inherent in that category of people, as their nature or birth right. So in answer to the question: "What is the Mahajans' dharma?" the answer in Mandi might variously be "they are Vaishnavas/Jains" or "they are business people" or even "they are thieves, cheats and liars". The three usages intersect in statements like "the dharma of Mahajans is business". Mahajans themselves feel that a merchant, merely by being in business, performs an act of religious merit. Here, their stance diverges from the majority of Hindus, who consider business as a dishonourable occupation and lacking in all merit. A merchant, Mahajan say, is following a noble profession sanctioned in the scriptures, which is specifically mentioned as righteous action for them. Mines (1972, p. 83), similarly remarks that the merchants of Pallavaram "feel a merchant performs a sunnath, an act of religious merit, since the Prophet was a businessman".

Turning now to examples we find that the dharma of the Mahajans is (in common with the other twice born varnas), a threefold duty: study, sacrifice and gift "that is, to study the sacred texts, offer sacrifices and give to the Brahmans" (Dumont, 1972, p. 108). However their specific dharmik livelihood as Vaisya is: "living from the land, commerce, grazing and usury.....in modern times mainly merchants". Informants asserted that as practising businessmen their dharma was to avoid honey, meat, eggs, fish, and alcohol, sexual relations in the day time, anointing themselves with scented oil and perfume, and anger since, like students, they should avoid anything which excites the senses and upsets bodily and mental tranquillity. Therefore, they should also avoid physical exertion, which like all of the above agitates the particles of the body and renders it impure. The body is restored to and

and maintained in a state of purity by rites de passage (marking the stages of life in a twice born caste such as first haircut, sacred thread and marriage) in addition to daily, personal rituals of bathing and prayer, as described earlier, and these are also dharma.

Righteousness and piety can be achieved specifically by the following methods, but anticipating no benefit and without hoping for gain, since right action does not expect reward. These are laid down in the Dharmashastras (classical religious texts) and consist of following religious teachings, for example the Laws of Manu; performing custom properly, for example marriage rituals, according to caste traditions; conducting business in a proper manner; doing penance; and practising good acts and unselfish acts which are characterised and identifiable by anokema (absence of desire). Mahajans say that these are perpetual (sanatana) rules of conduct which are actions appropriate for everybody (sadharana), as opposed to swadharma, appropriate to oneself. From this opposition derives what Mayer has called "the universal Hindu philosophical panacea" (personal communication): if the outcome of an individual's action or series of actions is successful and increases his own or the family's welfare or prosperity, it must have been his or her swadharma i.e. inherent, appropriate, individual behaviour; if the outcome is not successful then that mode of behaviour was man (self-assertiveness) or even pap (sin). Self-assertive and sinful actions, like all other actions, have irrevocable consequences (karma—sometimes translated as fate). In these instances the cumulative consequences intensify separation from moksha (freedom from the cycle of rebirth) whereas good acts, unselfish acts and penance decrease it by accumulating merit.

Prosperity is therefore believed to be the reward for behaviour consistent with the moral implications of following a

prescribed livelihood according to the circumstances of birth, which in turn is performing an act of religious merit that will have beneficial results in the future. Thus a prosperous malik must be now a good and pious man or must have been some time, perhaps in a previous time and existence. At the same time, self-assertiveness will destroy his prosperity whilst selflessness will increase it. Nevertheless, scope is left for individual action which is, however, evaluated retrospectively in terms of righteousness of conduct, by means of accrued advantage or benefit to the individual and his lineage.

For Mahajans, therefore, business is not only a source of livelihood but also a religious duty. Some even claim that business-related sins (such as theft—which popularly includes every form of obtaining money by deception and hoarding) are not "true sins" for them, since it is in their nature, which is a God-given quality. This position is, however, an extreme one, though one sometimes hears the expression "for us it is not a sin". Since the traditional calling of the Vaisya is purchase and sale as laid down in the scriptures, the inherent mode of behaviour appropriate to a Mahajan is (amongst other things) to conduct business in a proper manner. This is their contribution to the proper functioning of society, and indeed of the whole universe, as dharma is part of rita, the moral law governing the harmony of things generally, and the functioning of the universe.

Although the proper conduct of business is implicit rather than explicit (except the general injunction to follow customary practices) two cautionary tales about actual occurrences of business misfortune in Mandi give clear indication of what does not constitute conducting business in a proper way. A cloth merchant from Jaipur decided to rent a shop, as he had heard stories of the fortunes to be made nowadays. Eye-

witnesses report that he had to hire the two horse-drawn rickshaws which service the station to convey his cash boxes into town. (This is not so improbable as it sounds. Despite the presence of three banks in Mandi many Mahajans still ignore their facilities for transferring money). He established himself as a moneylender, by first offering interest free loans to farmers with which they could pay off their debts to other creditors immediately, and then take on new loans from him at lower than usual rates of interest. Within the year of his dramatic arrival he had to leave, bankrupt. Mahajans attribute his downfall to self-assertiveness. They say that he replaced the pure white gaddi on the floor of his shop with flowered material and even covered the walls with it. He also installed an electric fan and continually played music to attract rural customers, who were invited to sit inside the shop on omnibus seats. (Usually all business is transacted in a squatting or sitting position on the floor). "Making such a show" and this ludicrous waste of money drove away good fortune from his shop.

Tara Chand, another moneylender, had for many years attracted the attention of the income tax authorities, largely because of his blatant black marketeering. Somehow he had always managed to escape actual prosecution and had never been caught red handed. He took to hiding his money in various odd places, as he mistrusted the banks, and eventually hid several thousand rupees worth of bank notes in the cistern of the western style latrine which had been recently installed at great expense in his house. During the monsoon there was an accident and the money was soaked. The family spent several nights carefully washing and drying each bank note individually. Although they tried to keep the matter secret, the story soon got about and whenever paper money changed hands, people would sniff at the rupee notes and declare they had found one of Tara Chand's. Not long after-

wards the State Police raided his home and discovered the hoard of money. Again for Mahajan informants the moral was plain: by wasting money on luxuries and polluting it by placing it in the latrine, Tara Chand had sinned since money symbolises Lakshmi.

X In both these stores, deviation from custom expressed as sin or self-assertion is as important as bad judgement in explaining and indeed justifying misfortune. A final comment is needed here regarding the righteousness of action in accordance with customary behaviour, especially with regard to marriage. According to Brahmanical tradition—but also in local ideology—kanyadan (gift of a virgin daughter) is an act of religious merit, on condition that no payment is received, or anticipated "not even a glass of water". Marriage customs are strictly regulated for each caste within the category and their strict observance, in addition to being a religious duty, is also a source of prestige. The complicated series of prestations and counter-prestations which ensues is expensive, particularly for the bride's family, which, through the provision of dowry, translates fiscal profit into ritual and social advantages.<sup>6</sup> Nonetheless though Mahajans, like other high castes, do not believe in direct exchange of women, for goods or other women, careful analysis of their marital institutions (see for example Das, 1975, p. 74) shows that they do give their daughters expecting in return either economic patronage or social prestige and status. The observance of custom is a means of achieving success in the mundane as well as in the life hereafter, provided it is unstated.

I shall return to this theme of the 'selfless gift' and its relation to immediate and future reward in a subsequent section of this chapter. The point here is that the transformation of profit into ritual and social benefits through

dowry as a dharmik Vaisya model is internally self-contradictory. Provision of a lavish dowry undoubtedly increases a family's prestige and secures the good connections which are vital in a business context. However, action cannot be meritorious unless it is disinterested. Hence, 'too much of a show' can be interpreted by others as self-assertion, whilst the gift-giver concerned maintains that it demonstrates his selflessness/non-attachment to people and things. The implications for gossip and scandal are significant, as will be demonstrated in the penultimate chapter.

By way of concluding this section, it may be reasserted that concepts are as likely to confuse the issues as clarify them—which may indeed be an integral part of their usage—hence need for analysing concepts in the context of a specific social and economic milieu. The foregoing indicates that not only does the commonly perceived 'other-worldly' orientation of Hinduism not discourage the accumulation of worldly wealth, but that in certain circumstance (especially with hind-sight) successful, innovatory, entrepreneurial activity can be elevated and sanctioned as a religious duty. This takes Mahajans-as-traders from the state of the 'profane' into the state of the 'sacred'. An analogy can be seen here with Dumont's scholarly resolution of the ideological dichotomy between ritual status and political power. When artha (actions conforming to selfish interests) is encapsulated by dharma (action conforming to universal order) this "permits the attachment and coupling together of two otherwise irreconcilable universes: force and the law, ideal and fact" (Dumont, 1972, p. 300). The point is that there is no conflict on the ideological plane between 'being rich' and 'being good' as such. The religious injunction or social obligation to discharge one's duties to oneself and others correctly, bears the implication that if right action is pursued then beneficial consequences will follow, both in this world

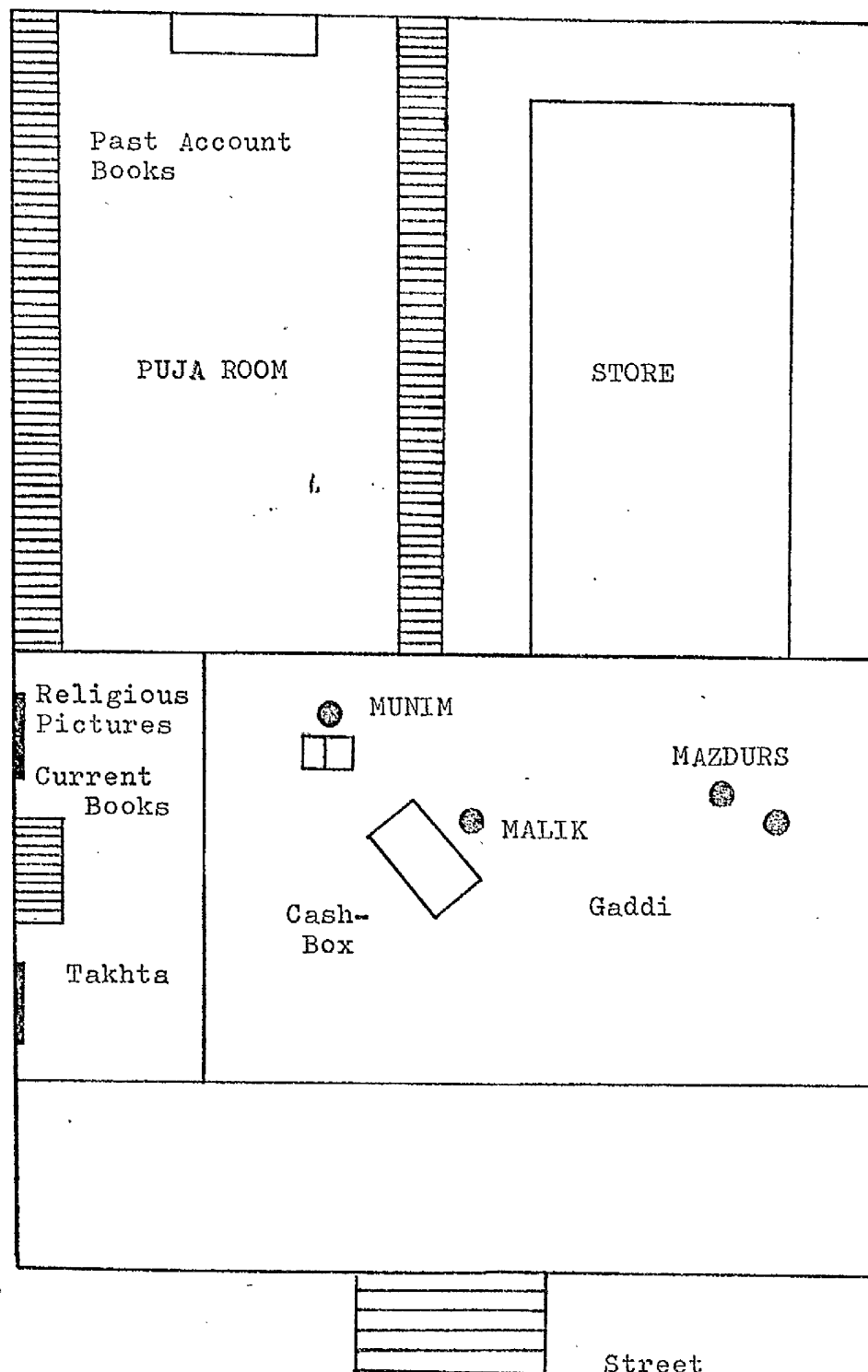
and the next. Proper observance of customary practices achieves righteousness and therefore it is not surprising that business practices are intensely ritualised. Economics, ritualised behaviour and the social aspects of business are all tied together. This is brought to the fore more fully in the subsequent section, which deals with the ritual aspects of business.

#### RITUAL ASPECTS OF BUSINESS

No matter what type of business it houses, the shop presents similar aspects. Spatially, where feasible it is divided into three parts (see diagram 5.1). At the front is the gaddi where the actual business of buying and selling is transacted. Behind it and to the right on entering is the storeroom whilst to the left is the puja room. The places of interest are the puja room and the gaddi, which consists of a white sheet placed over the floor. Gaddi means 'throne' and the kingly connotations are present in the term for the most senior male member of the family present: the malik. "This is a kingly job" said Bajrang Lal, in explanation of the term. "One sits and does one's own work without needing to ask other people anything". Although the work involves long hours and much responsibility, it is perceived as freedom and independence from supervision, which makes other types of occupation, even salaried professions, comparably less attractive. Hence shopkeepers follow in their fathers' footsteps as shopkeepers and the number of Mahajans in employment other than business is minimal.

For Vaishnavas the puja room is the abode of Lakshmi and if it can be located in the auspicious north-west corner of the premises this is most fortunate for prosperity. At the back of the room is a low table bearing gaudy religious pictures of Lakshmi and Ganesh. These are necessary in all

DIAGRAM 5.1 THE SPATIAL ARRANGEMENT OF THE SHOP



NOT TO SCALE



shops for the retention of good fortune. As might be anticipated amongst Vaishnavas, Vishnu the preserver is popular, especially incarnated as the baby Krishna. In this room, too, are kept the family account books and photographs of ancestors. Every morning begins with Lakshmipuja. Images are dusted and washed and decked with flowers while the Lakshmipuja kitab is read aloud and incense burned. A new page is begun in the daily cash book, with the date in the Hindu calendar and the holy syllable Om or dedication to some favourite god or goddess for example Jai Durgaji (victory to Durga). In addition, if new account books are commenced, they are sanctified with sacred symbols, such as the swastika sign for Ganesh being written on the cover and the names of deities recorded on the first left-hand page along with important male ancestors.

This ceremonial beginning to the day may last up to four hours. If business has been going badly, the malik may decide to recite the name of Ram a thousand times, or to pay a pandit to read aloud from sacred books. Morning rituals by men in the shops are supplemented by household rituals performed by women for the kuldevi (lineage goddess(es)) and arti in the temples, also performed by women. A brass tray is decorated with fruits and flowers and little earthenware pots filled with oil. The pots are lit and the tray rotated slowly in front of a religious picture or image. (There may be resonances from traditional Rajput models, now abandoned, here). The purpose of these family rituals is thus partly one of unification, linking the present with the past and giving the malik as current head of the family an authority deriving from the temporal stability and continuity of the lineage. His received social status invests the malik with power greater than his personal identity and also responsibility for the family's prosperity and well-being which, as incumbent, he must dutifully translate into appropriate actions.

Just as ritual provides a time framework of continuity, the proper observance of custom is important in conducting business transactions. The malik invites prestigious customers to come well into the shop and sit upon the takhta, a mattress also covered in white cloth. Bolsters are brought for them to lean on, snacks are offered or tea or sherbet ordered. Less prestigious customers remain squatting upon the gaddi, the lower their status the nearer to the street. Farmers or peasants are permitted to sit further inside the shop than manual labourers, who squat at the very edge of the shop, not on the gaddi. None of them would be offered any kind of refreshment. Untouchables and Muslims are not permitted into the shop and make their purchases from the street.

Nearness to the malik and the cashbox indicates social status. The malik's sons or younger brothers sit in decreasing order of age on his left hand. If for any reason he is unable to be present, the next in seniority assumes the superordinate responsibility of handling all the money which is put into or taken out of the cashbox, which is locked and unlocked with each transaction. Otherwise the latter is responsible for recording business transactions in the daily cash book. Unless the client is an unusually important person, business transactions are conducted by the younger members of the family. If the business is grand enough and the customer of sufficiently low status, family members sometimes avoid the transaction, which is dealt with by shop assistants. In this way contact with polluting persons is kept to a minimum. The mazdur hands the money to one of the younger members, who gives it to the malik, who gives him the change to hand to the mazdur and thence to the customer. Where this is not possible, the money is placed on a marble slab so that it does not directly pass from hand to hand.

This is an uneasy compromise to preserve the purity of the cashbox, and its contents, which sanctifies the gaddi and symbolises the presence of Lakshmi. The gaddi is pavitra (ritually pure, 'unpolluted') and the contamination of it is bad for business. As Fox (1969, p. 54) points out, the pile of shoes outside the shop expresses the purity of the gaddi since shoes are made of leather and the cow is sacred to Hindus. In theory this extends to the impurity of consumers of meat, tobacco and alcohol (Rajputs, Jats) and of Brahmans other than the family priest. Brahman businessmen, however, are permitted entry, indeed it would be difficult to exclude them, and especially those with longstanding relationships with the family as managers or accountants.

Muslim shopkeepers clearly do not operate within the value system of Hinduism, but in Muslim shops, too, some area is specially demarcated by a cotton rug or piece of sheeting as the centre of operations. It is also customary for shoes to be removed upon entering Muslim shops and for tobacco smoking to be prohibited. There is no conception, however, of the ritual purity of the gaddi as amongst Mahajans nor are the contents of the cashbox pure. Muslim merchants hang quotations from the Quran upon the shop walls echoing the gaudy calenders depicting religious themes of Hindus and Jains, and often display photographs of the founder of the firm in a prominent position. A final point of similarity is that Muslims in business also keep their books in a separate room at the back of the shop and embellish them with religious inscriptions. The point at issue is that all these items have clear ritual significance for business and businessmen, which is brought to a peak by Mahajans. The traditionally-kept account books similarly exhibit a concern for ritual purity and preoccupation with establishing consolidating and perpetuating certain valued social relations and avoiding others, and the intermingling of both of these

aims or goals with prescribed economic behaviour.

#### THE TRADITIONAL ACCOUNT BOOKS

Accounts are still kept according to customary patterns, though some firms have taken to keeping ledgers in the modern style as an adjunct to the old style books. These are two to three feet long and between six and twelve inches wide, bound together by stitching the pages at one end and invariably covered with red cloth. The book is folded in two and tied up with a black and white cord. Five books form each set and since most Mahajans keep two sets of books "one for us and one to show" this means a formidable total of ten, or 11 including the modern ledger (known as the 'register'). Hence throughout the day the books must constantly be adjusted and tallied. The book-keeper sits cross-legged on the floor, resting the vahi (sometimes pronounced bahi or wahi) against the back of a cushion or a small wooden book rest.

The word vahi according to Shah and Shroff (1959, p. 46) has three meanings: a book of genealogy, an account book, and a book in general. They point out, however, that it is used primarily in the first two senses, since books of a particular size and binding are used almost exclusively by Vahivanca Barots for writing genealogies and the merchants of Gujarat for book-keeping. It must be added that they are also used by the traditional merchants of Rajasthan.

Each book has a name and individual function. The first is the rokarh khata (daily cash book) in which every monetary transaction is noted down immediately, even money changing, which enables the malik to keep track of the cash flow. It is known variously as the roṣnamcha (by Muslims) or the kachi rokarh, the latter signifying the roughness of the copy.

The second is the aaret vahi (brokerage account) which categorises sales and money owed by others. The third is the kharid vahi (purchase book) which itemises purchases and money owed to others. This is sometimes called the kharach khata (expense account). Fourthly is the pakki rokarh, a neater and more precise version of the kachi rokarh. This is a combined account of the days transactions and should balance with the previous three. Lastly the vahi khata records the names of those who owe money and to whom money is owed and the date of the transaction.

Each page is divided by seven vertical creases into eight sections, the four left sections for credit and the four right sections for debits, whereas in modern ledgers debit is on the left and credit on the right. With the exception of the vahi khata, always kept by name first and then the amount and date, the books are kept on a calendrical basis by page. The first of the appropriate sets of folds records the amount in numbers, the next names of those to whom or from whom money is owed and any notes or comments are written in script across the next two columns. The script in modern ledgers is a fairly standard Hindi, though the numerals are different; otherwise Marwari is used. No lines are ruled to distinguish categories, instead a curl or flourish is drawn underneath the individual sums in rupees. At first sight the page is a mass of semi-encircled numerals and names which makes accounts difficult to follow for the unpractised eye. Risley (1915, p. 311) notes the proverb "what the Baniya writes God alone can read."

As Fox has pointed out "it is foreign to the business and social thinking of most merchants...to distinguish business expenses from household outlay and business profit from savings" (Fox, 1968, p. 175). Using family papers, histories and legends to amplify his analysis of account

books, Bayly (1975, pp. 3-4) has tried to identify the domestic goals of six Agarwal and Khattri (sic) families during the last century, based on the following selected items of expenditure: family members' deposits and withdrawals; transactions with dependents; expenditure on deities; outlay on festivals; and fictive transfers of credit.

A common criticism of the analysis of classification systems is that there is no way of testing the validity of deduced categories. Therefore it seems useful to attempt a comparison of the historic categories and information thus adduced and the current trends in expenditure of family firms in Mandi. This will show how socially sustained and temporally stable these categories are, and again the interconnectedness of religion, kinship and economics.

#### 1) Family members' deposits and withdrawals

Bayly notes that any kind of expenditure recorded was a family act. Individual family members did not have separate accounts and access to family resources was determined by status within the family. Similarly in Mandi all expenditure or cash transactions are recorded as if they were family ones and made in the name of the malik. In Bayly's six firms, however, only selected exotic products (fine grains, certain types of mangoes, coconuts etc. 'not grown in family gardens') were accounted for in the kharach khata whereas in Mandi even the most mundane items are minutely itemised, for example: "one reel of black cotton thread at 75 paise" (about three new pence). Another difference is expenditure on mistresses which 'inevitably appear' in the nineteenth century books but does not in Mandi, or at least not in the books which I was permitted to see.

#### 2) Transactions with dependents

Under transactions with dependents, Bayly categorises servants,

purohits and other ritual specialists or occupational categories in quasi-jajmani relations with the family which 'were not really wages' but 'rewards for service' otherwise expressed in terms of food and clothing, rent free accommodation etc. Account books in Mandi show very similar patron-client transactions especially with ritual specialists (as noted in the second chapter of this thesis) and again this is expressed as dan (reward).

### 3) Ritual expenditure

Expenditure upon deities and outlay on ceremonies and festivals, for brevity, will be conflated under the general term "ritual expenditure". Bayly notes careful records of expenditure upon puja at Dasehra and Diwali, on maintaining family shrines and retainers at the ghats and gifts to cows, all of which, with the exception of hereditary funerary specialists, are also listed in Mahajan accounts seen.<sup>7</sup> Fictive transfers of credit can also be usefully termed ritual expenditure since here, too, the relationship between means and ends is not intrinsic, and their form both standardised and symbolic. In Mandi, as in the books studied by Bayly, in some cases account books open with a series of fictive transfers of credit to other high status trader-bankers of the locality. These are usually reciprocal and consist of ritually significant numbers, the greater the amount, the more valued the relationship.

Two major items of expenditure not mentioned by him are on marriages and property which, Mahajans assert, are their biggest single categories besides commercial transactions. Gupta (1976, p. 12) notes the common proverb: "Bania ki kamai Byah aur Makaan vey Kai" (sic) which roughly translates as "Merchants' earnings are eaten up in weddings and houses". Possibly this is an example of failing to state the obvious or alternatively it is implicit and the cue has been missed. But what emerges from this comparison is that a) there is

remarkable continuity and correspondence between categories and b) both sets of books systematically record redistributive and ritual exchanges as well as 'purely' economic transactions as manifested in loans, commodity accounts, purchases and sales etc. As Bayly puts it, the account books are "a symbolic affirmation of the organic unity of the family, its assets and its social economic and ritual relations in this world and the other". (1975, p. 4).

This incorporation of the material with the immaterial world is implicit in the performance of a special puja to the oldest book at Diwali, which is not only the beginning of the new year in the Hindu calendar but also the commencement of a new accounting year. A Brahman or Jain Pandit is called who repeatedly writes Sri (i.e. Lakshmi) on the first page of the new account books in the form of an equilateral triangle. He then takes the oldest obtainable silver rupee and a betel leaf and places them on the first page of the oldest book which is then put in a brass tray. Small heaps of rice, supari (aromatic seeds and nuts) and turmeric are made beside it and a piece of mithi paan (containing no tobacco) offered to it as Lakshmi and also placed in the tray. Lastly arti is performed and the book is marked with turmeric or vermilion paste (see also Stevenson, 1915, p. 261). Noone closes it for several hours and when they do so they are careful to say "a hundred and one profits". Printed cards are then sent by hand to selected family firms in the bazaar informing that Sarada-puja (ancestor worship) was performed at the auspicious time and wishing prosperity.

Termination of super-annuated books is thus (not surprisingly) dissimilar to disposing of ledgers in modern enterprises. Old books are respectfully immersed in rivers and tanks when they exceed a certain age (which varies but tends to be four



generations). Vahivanca Barots dispose of their genealogies in exactly the same way. Shah and Shroff comment (1959, p. 52): "The precious information is destroyed in order that it does not fall into a rival's hands". Some merchant families have transported their books back to ancestral villages or temples in ancestral mohallas where sacred thread investiture is performed and stored them there. In Benares and Allahabad the books were thrown into the Ganges, for samshare, (transformation, lit. "cooking") as the dead are cremated and immersed in the Ganges for denaturalising (Bayly, 1975, p. 6).

Thus the family-firm relationship as seen through the books is an enduring link through time and is transposed or displaced upon the supernatural plane. Whilst the developmental cycle of the family firm means that the individuals composing it change through time and are replaced and its activities change direction, the patrilineage and the family business remain constant. The concern for constancy and stable, enduring relationships is shown in the titles of firms which juxtapose the personal name of the founder with the present malik (the son or grandson usually), spanning the generations and binding them together. When the capital is transferred from one year to the next it may be entered in the name of the founder of the firm, not the present malik. Sometimes the names of deities are used for the title of a firm in the account books which is known commonly by quite a different name, for example: Ganesh Oil Products instead of Ram Chand-Lal Chand. Once more: "The Vahivanca tries to boost the status of his patrons by associating them fictitiously with historical figures or events" (Shah and Shroff, 1959, p. 51).

When a malik agrees to open the books to outsiders he has therefore agreed to reveal the innermost secrets of his

family and to risk possible censure, and dishonour. The most reluctant were Jain businessmen who, significantly, have strong religious injunctions against revealing their religious practices to outsiders. Only one Jain agreed to show his books and his father's elder brother, present malik of the brokerage business, vetoed the request by special messenger later the same day. To produce the books in open court is, for the Mahajan, thus unchallengeable evidence. Hazlehurst (1966, p. 48) remarks on "the air of finality with which the Bania presented his evidence in open court" and adds "he in whose hand the account book rested was generally the victor" (see also Darling, 1925); and again the reluctance of the genealogists). However, for a conservative Mahajan, to be forced to defend and justify his actions in open court is itself discredit and dishonour. As Sital Prasad put it: "Business loss is not much of a problem—it's the loss of izzat (honour) which is the bother". Once again the indissoluble link between the business and patrilineage is brought to the fore.

What emerges clearly from the foregoing is the complex, self-reinforcing intertwining of kinship, economics and ritual. As stressed above the firm is never seen as different from the family. Doing business is only proper for business families, who are enjoined to do so by virtue of their patrilineal descent within a particular caste framework. Just as the pursuit of profit in an appropriate manner is a religious duty for Mahajans, the proper following of which will assure short term profit in terms of individual or familial benefit and in the long term accumulate merit and release from sin; so the ritualisation of business as seen in the customary organisation of the shop and the account books reflects this running together of time scales.

Hence the spatial segregation of customers in terms of their ritual purity is no more than is due to the shop as a source of livelihood and will bring benefit since observance of custom is righteous behaviour. The sanctification and dedication of the account books similarly validates the present by reference to both past and future times combined. This is a Malinowskian world, a palimpsest of mythological characters providing a blueprint for appropriate action, comforting and sustaining. In the next section it will be seen how these considerations concerning the 'right thing to do' spill over into the realm of credit relations.

#### CREDIT AND MERIT

Mahajans say that if a man has faith then it is an incontrovertible fact that business will prosper. Hence Jains do well in business "because the Jain religion is simple and easy to follow" and Vaishnavas do well in business "because they are the followers of Vishnu". If a merchant works hard but fails to prosper he believes that this is due in part to sin, in part to lack of faith. He hopes to overcome this bad luck by religious practices which include financial support to temples, schools, rest houses, dispensaries, membership of ritual and voluntary associations and so on (as described in the previous chapter) by which he will acquire merit (punya).

There is, however, much indigenous controversy regarding religious gifts. Although in general the gift is a meritorious act, Prakash Chand pointed out in discussion that "Jain religion says not to give money to temples. Instead it should be given to a school or maternity home. The reason behind all this (ostentatious donations) is first to gain publicity and second to avoid income tax". Madan Gopal (a Vaishnava) commented "There are plenty of lakhpattis in Mandi and all have done plenty of public works. Self-sacrifice (seva) to the

community means speaking nicely to neighbours, even when doing business with them, or just pulling an ant out of water. It does not mean building a temple for making a name for oneself". Millman, on the other hand, reports an informant as saying, "Everyone of their religious deeds has a price tag on it and is based on the ideas of assets and liabilities" (Millman, 1954, p. 47).

Mayer (1978) has dealt with the theoretical implications of acquiring merit through fiscal donations in a paper (unpublished?) entitled 'Public service and private gain in Dewas'. As I understand it, selfless actions which are secretive and disinterested acquire merit and lead to power over people and things by means of austerity and renunciation—providing always that actions which anticipate any kind of profit will not receive it. This clearly poses a problem for Marwari/Mahajan temple builders, hostel endowers and so forth. Can any such actions which make the donor into an incontrovertible public figure therefore acquire merit? The fundamental unanswerability of this question leads to another basic contradiction: to be known as a sevadar cannot be seva; nonetheless leaders' actions in Dewas are contrasted with seva and found wanting. This is important for the customary consensual style of leadership amongst Mahajans discussed in the previous chapter and has significance in the context of development, as will be demonstrated in the penultimate chapter of this thesis.

The essence of seva is thus the more one gives the more one acquires merit—if done without expectation of tangible or intangible gains. Seva coincides with shakti (power, energy) in that time, effort, and selflessness, (or lack of self-assertion) cause individual strength which in a business context gives the malik the energy to do his work and the power which continues the livelihood of the family. Mahavir

Prasad said: "Strength and power are what count in business. Even if two lakhs are lost we must have the strength to overcome it. This depends on the status (izzat) and the circumstances (karma) of the family". Here again we see a complex interaction between religious concepts, kinship and economic behaviour. Thus if he builds ten temples it gives him ten times the merit of one temple, providing he does so "without rational purpose" (that is, not anticipating any reward as in the pursuit of rightenousness), ten times the power to do business and ten times the success in business, again providing that benefit is not overtly expected from the action.

Hence it is incorrect to characterise religious or social expenditure as "charity" or "philanthropy" (as Millman does) since as Bayly (1975, p. 7) points out, both these words imply a "pious payment" to validate newly acquired wealth, "after the business had been done". The fact that temple building, financing pilgrimages to holy places and endowing monasteries are characteristics of newly 'arrived' Mahajan families and are definite ploys to increase the number of clients at the shop (as in Gambhir Mal's elephant) in no way invalidates the fact that for all merchant families, business and ritual are an integrated process which maintains the family's well-being (whether consciously intended or otherwise) by increasing its stock of merit. The point is that meritorious behaviour makes the world go round and Mahajans must trade off merit 'here and now' with merit 'after death', since religious merit and social merit are mutually exclusive categories at the conceptual level. The first (i.e. merit here and now) is a source of social and economic credit in the business community and the second merit in terms of karma and release from the cycle of rebirth.

Mines has discussed the scarcity of money, credit and loans in a South Indian bazaar and stresses the need for personal contact (Mines, 1972, pp. 55-63). He shows how merchants establish borrowing or lending relationships with two or more merchants in the town and draws attention to the fact that commonly cooperating merchants are close associates in other spheres as well, such as religious activities. The strategy of lending, in particular lending to other Mahajans, therefore has ramifications which reveal the social as well as the economic goals of the traditional merchant family.

The essence of credit is the promise to pay in the future at a date which may or may not be specified. Promises can be formal and written or can be simple book debts and loans (as in credit sales in the normal course of trade). The latter is very much in evidence in Mandi as book transfers of credit make time-wasting and hazardous journeys with money unnecessary. Lending money is accompanied by different sorts of risks from extending credit. Firstly if the money is not repaid the family's capital has been diminished. Secondly all Mahajans dread a sudden run on the firm for cash (see chapter four) and prefer to keep reserves of cash as high as possible. However, as in India generally, whilst banks as public institutions have been formally constituted for over a century, local firms have continued to transact private banking functions and achieve a high degree of elaboration in them, which will be demonstrated in the following chapter.

Mutual assistance between neighbouring family firms or groups of neighbours is an important means of preserving financial stability. All merchants frequently need to borrow small sums of money for short periods, sometimes merely for an hour or two, and their friends will lend without security or interest. Even the largest concerns run short of ready cash occasionally. Another type of voluntary cooperation

consists of circulating information about customers and clients who are bad credit risks. Maliks of large enterprises also 'confirm' that is, guarantee, transactions for each other, arranging insurance cover, providing finance and writing letters of introduction. Because these are mutual, such transactions take on the character of moral relations, despite their overriding economic content. Though there is self-interest, in the sense that it is in Mahajans' own interests to cooperate (for example, money is lent without security in the expectation that the favour will be returned sometime), there is also a sense of duty. Loan networks, like other types of voluntary cooperation amongst Mahajans, are governed therefore by social and religious considerations, which are expressed in variable interest rates as under:

#### Rates charged to Mahajan firms

These vary between 2% per annum and 2% for three months (8% per annum). Such low rates of interest show that the aim here is to increase economic security and social credit rather than to maximise short run monetary profits. This kind of transaction ought to assure the family long term financial stability by generating further transactions of reciprocity in the business community.

#### Rates charged to other 'Banias'

These are usually between 6 and 12% per annum but can be as high as 6-12% per three months, depending upon the reputation of the borrowing firm, whether the two firms have previously had a longstanding business relationship and how much social or economic credit might be generated by the loan. Jewellers and utensil sellers for example have paid low rates of interest sometimes without offering any security. Conversely, they might be offered jewellery or brass utensils which had been taken from defaulted borrowers at reasonable

prices. These kinds of favours are a reflection of long-standing associations between the concerned families and can also be seen as intersecting with the dharmik model set forward earlier, in that jewellers and utensil makers provide the essential items of dahez (dowry).

#### Rates charged to non-Banias

For Mahajans these people are beyond the pale of the market place and are low status—the days of long term lending to the chiefs and princes has long since disappeared, although money is still occasionally lent to rich farmers.<sup>8</sup> These clients are most likely to cause difficulty in repayment and there is a problem for Mahajans in retrieving anything saleable in the case of default. In the case of peasant borrowers, there is the additional practical problem of non-residence as well as anti-lending legislation affecting peasants. Loans at 12-30% interest per annum or even 12-30% per three months period (48-120% per annum) have frequently been interpreted as leech-like exploitation of the needy. From the perspective of Mahajans, however, returns must be good for a family to risk capital on persons who are unlikely to be anything other than problematic.

The most crucial features of credit and loan transactions actually witnessed in Mandi were the large sums lent and favourability of terms to certain Mahajans, coupled with a general unwillingness to lend, except at high rates of interest and for short periods of time, to others. The primary objective thus appears to be not the most rapid turnover of capital nor the highest returns expressed as interest, but the social goal of increasing social status by means of prestige-lending.

This impression is, however, erroneous since the family is limited in its lending policy both qualitatively and



quantitatively. Not only must loans be limited to a safe proportion of the cash reserve (the ideal is 25%) but the firm must also ensure adequate security, liquidity and profitability for itself. Security is relatively simple; it will not lend if there is a suspicion of problems in repayment. Default on a loan represents grave errors on the part of the malik which will lower the firm's own credit-worthiness in the future. Whilst security for a loan is taken in the form of jewellery, the deeds of a house or titles to land, these are not foolproof safeguards. As Nathu Lal expressed it: "If there is any serious risk of outright default the firm will not lend and yet it is always possible". Liquidity and profitability pull in opposite directions. The shorter the period of the loan the lower the profitability, but the greater the liquidity of the firm and vice-versa, yet the family firm wishes profits to be as high as possible—all other things being equal. The difficulty is resolved by spreading the risk. Loans are made over short periods of time at high rates of interest to people or firms regarded as high risk and long periods of time accompanied by low rates of interest to those who are low risk. This means in effect that businessmen prefer to lend to other businessmen.

Reviewing the lending facilities available we may note separation and exclusivity in economic transactions as in social relations. There are essentially two types: (a) lending to another Mahajan, which involves low risk, low interest and long terms of repayment; (b) non-Mahajani lending, which involves high risk, high interest rates and short repayment terms, which are, however, often renewed. The latter transactions are regarded with opprobrium and avoided. Few Mahajan families are involved in these transactions and the appellation "money-lender" is derogatory. A half dozen families who have this suffix attached to their names are regarded as socially inferior. Because of their small number,

on a town-wide scale the sums involved are inconsequential.

Credit and loans between Mahajans are differentiated from the profession of money-lending. The interest on credit sales between traditional merchants is conceptualised as "not receiving the 5% discount for cash". It is "convenience money" or "one's own money coming back to one". The low rates of interest (the very phrase itself in English suggests lack of self-assertiveness, even selfless acts) imply a high degree of social cohesion between them and the need for reinforcing favourable social relations. However, as well as increasing social merit the financial risk is low and the very large amount of cash involved in the transactions ensure that it is economically profitable, much more in fact than 'one off' money lending.

By contrast non-Mahajans are the greater risk, but it is not solely a question of risking capital. High risk non-Mahajan clients are regarded as defiling and the whole process of transgressing social boundaries puts the family firm's ritual status into jeopardy. As noted above the coincidence between social prestige, ritual purity and profitability of a transaction is striking. High risk lending or ugahi brings the family into contact with unrespectable, irresponsible and uninfluential people from low castes and may occasion the services of thugs to secure repayment. Hence contrary to inter-lending with Mahajani firms, the aim of other types of lending is to depersonalise the transaction. Instead of the malik having direct personal contact with his esteemed client, accompanied by much intervisiting, tea-drinking and discussion of affairs, servants are sent out to collect interest or distribute loans. Alternatively the work is delegated to agents of the family in the villages thus abstracting the family members from the transaction completely.

## MERCANTILE ROLES: TWO HISTORIC MODELS

Y The ritual dimension to business is thus labyrinthian. Whilst the complex of ritual (and social) factors might be interpreted as working against economic rationality at the etic level, in practice these do not block the pragmatism instrumental in structuring the disposition of loanable funds in reality. So far in this chapter the stratagems of the traditional family firm have been discussed in relation to an ideology of business. To formulate goals, however, people must have a conception, implicit or explicit, of the roles and statuses desired by them. Thus, we hear of certain types of behaviour being categorised as inappropriate or unsuitable for a Mahajan, which are essentially caste-based rather than professional injunctions. As an example, ideally businessmen from the traditional merchant castes should avoid any business activity which involves handling living things and are hence limited to dealing in inorganic commodities. Therefore dealing in precious stones is not only more profitable than dealing in hides but also reflects on the ritual and social ranking of the dealer and his aspirations. Can a model of appropriate customary behaviour be therefore deduced? Given the less than tangible nature of categories of status, can we be sure of the validity and stability of this model?

As demonstrated in the preceding section, lending is a stratagem, an attempt to maximise certain limited goals through careful use of finite capital, one of the more important goals being the perpetuation of valued relationships. The marketplace is thus a social orientation, in addition to the source of livelihood and a location in space. The concern of Mahajans to perpetuate certain social relations (and not others) means that credit is evaluated and disposed according to social and ritual benefits anticipated as well as the economic content of the transactions. Differential rates of

interest can thus be seen as measures of the advantage or disadvantage to the patrilineage of involvement in entailed social networks. In this connection it is worth noting that whereas Agrawal and Khandelwal families possess detailed knowledge of each others' antecedents and of other families of the same jati in, say, Gujarat or Madhya Pradesh, and in very rare instances, in the UK or USA, they can say almost nothing about their rich neighbours of lower caste origins. They would not defer to them for arbitration of  
 × disputes, no matter how wealthy or influential, thus denying social recognition of their importance, which is essential in becoming a seth.

But again, to what extent are the characteristics of the seth in Mandi general enough to apply to a wider range of merchant families in India who fall under the rubric of Bania? As it happens, historical research has provided a number of profiles of merchant families (see for example Timberg, 1971 and 1973) which enable models of mercantile roles to be extracted and compared. Bayly (1975, p. 13) suggests two types: 'The Frugal Merchant' and 'The Great Sahu'. The Frugal Merchant avoided expense and luxury, inhabited a humble house and used capital to establish 'relations of sobriety with learned men, priests etc.' The Great Sahu, however, was a spendthrift. He lived in a magnificent mansion with Muslim concubines and smoked a hookah. Whilst he was sneakingly admired, since even to conservative-minded merchants he is a more attractive character than the Frugal Merchant, it was and is recognised that freespending is ultimately destructive of mercantile credit.

Several anecdotes which Bayly relates of nineteenth century Benares reveal the underlying tension between these oppositional models. In one story, Kashmiri Mull (sic) Head of the Pacchaina Khatris came to visit Gopal Das dressed

in Persian style with expensive boots. Gopal Das, an elder of the Agarwal community, was dressed only in a dhoti and cleaning his cowshed. Kashmiri Mull said scoffingly: "Look at your boots made of dung encrustations" to which Gopal Das replied "Look to your accounts" and soon after passed on him a massive hundi (credit note) which he was unable to honour.

In this story, Kashmiri Mull would represent the Great Sahu and Gopal Das the Frugal Merchant, who supercedes him on account of the Khattri's lifestyle which ignores the need for continuity and profit. The Frugal Merchant figure is interposed between the Great Sahu and the Miser, the popular stereotype of the Bania, who allows concern for profit to overwhelm social considerations, but Bayly does not make much of this. Field data in fact suggests three models based on indigenous concepts: the nawab who corresponds closely to The Great Sahu—except that Bayly's merchants seem to have been Persianised to a greater extent; the kanju or Miser, who loves wealth for its own sake, shuns the company of his fellow men and lives in a wretched condition in order to save money and hoard it; and the seth, who steers a middle path between the two goals. He does not let attachment to wealth overwhelm him, for this is a sin, yet he does not ignore the need for profit, using capital to establish and perpetuate valued social and economic ties with men of standing by means of dowry and credit. Through good acts and selfless acts and sometimes penance (for example pilgrimage) he follows the path of duty and so acquires merit. In doing so, he gains such an extent of moral influence, through the outcomes of a series of acts elevating him above 'the common man' that it is equal to a special kind of authority. This exists without resort to the use of physical force and without formal or absolute domination (though it operates very weakly outside a limited social radius). With these qualifi-

cations, the seth, broadly speaking, appears to be an equivalent of the Frugal Merchant of history and legend. As a model of appropriate behaviour, this would appear to be both socially sustained and steady as regards permanence, and is the middle path towards which all Mahajans aspire. Every malik would like to emulate his prestigious connections and worthy behaviour, if only he were sufficiently wealthy, and he hopes that by following his dharma selflessly this could be a possibility.

#### SUMMARY

At various points in this chapter it has been necessary to distinguish between market-centred activities and social or religious goals, i.e. the domestic or non-market ambitions of the family. This should not be interpreted to mean that economic rationality is not an over-riding feature of market relations in Mandi, nor that non-market relations are the sole dominant concern, nor that the categories are mutually exclusive. In fact both domestic and market centred relations are part of a strategy to guarantee survival in an uncertain world. As noted in a previous chapter, the uncertainty of economic competition in an oligopolistic market encourage policies of seeking a quiet life.

The complex interaction of market centred activities with social relationships hence makes it irrelevant to argue whether Mahajans as the traditional merchant castes are primarily concerned with ritual status or economic power, cultural preferences or economic maximisation. The process is total: cumulative, self-reinforcing and self-fulfilling. The concern of Mahajans to perpetuate some types of relationship and not others is concrete enough in its cumulative effect to determine who may or may not succeed in business in the town. Hence the commonly heard remark: "Lallaji was a great merchant and

there were always a good many men sitting with him"—but they were, of course, the right sort of men. Endeavouring to look from the inside outwards, looking at the goals of Mahajan families from their own observed attitudes and intentions rather than imposing themes of formal economics or for that matter very general cultural paradigms reveal that profit can be judged by social and ritual criteria as well as economic criteria. However, to label this as 'subsistence orientation' is misguided and erroneous.

## CHAPTER SIX

### BUSINESS ORGANIZATION

#### INTRODUCTION

This chapter discusses the organisation of business amongst the traditional merchant castes of Mandi. Since South Asian businesses tend to be multiplex, unlike western businesses, which tend towards specialisation, this poses difficulties in the presentation of data. For example, wholesale grain dealers frequently act as commission agents and also retailers of provisions, including grain. Some, additionally, provide the finance for others' transactions and thus enter the field of banking. Any one family firm can therefore be classified under several categories. For the sake of analysis, the customary multiplicity of business activities has been separated out into the roles of shopkeepers, brokers and traders, and financiers and moneylenders, which are discussed in that order. I shall attempt to show that economic changes are causing a partial re-interpretation of business ideology as outlined above. Two parallel systems of prestige and status are emerging in Mandi and these are, as yet, unreconciled. This is related to increasing interest by merchants in urban politics and has implications for other kinds of social relations, most importantly for social control and the resolution of disputes.

#### SHOPKEEPERS

The typical Mahajan family business engages in several types of trading activity. In addition to wholesaling and retailing commodities it also makes loans, occasionally takes deposits of cash or jewellery and transfers money for clients, who



until comparatively recently might include state governments. A single day's transactions could include encashment of bills of exchange, arranging insurance, confirming transactions, making purchases on commission for clients in the cities and administering the expenses of temples or voluntary organisations. Moreland's description of a Moghul era family firm in Gujerat could easily be applied to any one of the wealthier maliks in Mandi today:

"Virji Bora was eminently a merchant, that is to say, a buyer and seller of commodities and his business extended to any class of goods in which there might be hopes of profit; but at the same time he freighted ships, he acted as a banker, he received deposits and arranged remittances by means of bills of exchange or letters of credit to his branch houses". (Moreland, 1923, p. 158)

It is as shopkeepers, however, that the traditional merchant castes are most 'visible'. Apart from the negative connotations, noted earlier, the shopkeeper would be what most South Asians envisage by the term 'bania'. The 245 businesses surveyed in Mandi's bazaars range from a tea stall to large provision shops. Perhaps the most notable points are (a) the lack of division into wholesale and retail functions; (b) the fact that an individual family firm may operate several lines of business from a single shop; (c) or operate related types of business from a chain of small shops. Only rarely does a single activity, such as cloth retailing, dominate a family's business affairs exclusively. Among the major businesses and within each category specialisation is low and matched by lack of product differentiation. Thus if one shop stocks a certain product, other shops will try to stock exactly the same, if they stock the product.

The largest categories of business are the textile shops, of which there are 23, and the provision shops, totalling 56. Their sales are based on bulk grocery items such as gur, food grains, flour, tea and sugar, along with spices and salt, tins of cooking oil and clarified butter. These overlap with two other main types of business: the 12 commission agencies in grain, oil seeds and spices, and the general merchants, also totalling 12, who stock a vast array of food and non-food items.

Ram Chandra's 'General Store' for example sells perfumes, cosmetics and toiletries, homeopathic and allopathic medicines and drugs, bottled pickles and preserves, tins of clarified butter and vegetable cooking oils, bottled scented oils, such as jasmine and almond, boiled sweets and packets of savoury snacks, gripe water and baby food in jars, tinned dried milk, egg-powder and cheese, packets of biscuits, disinfectant, scouring powder and detergent, sheep dip and fertiliser, matches, batteries, kerosene and steel wool. In the grocery line there are dried fruits and nuts, pulses and food grains (including a dozen different types of rice and half a dozen different varieties of lentil), flours of varying natures and qualities, blocks of semi-refined sugar, as well as refined sugar in loose and cube form and molasses, and finally spices of both local and very distant origin and rock salt. In the winter, he sometimes sells woollen waistcoats and blankets. His other main line of business consists of wholesaling gur to local provision retailers. This is ordered direct from the suppliers in Uttar Pradesh and Bihar and resold. Sometimes, however, he acts as a commission agent for local shopkeepers, negotiating a price between them and the city dealers in gur, arranging transport to Mandi and insurance in transit as part of the service. Lastly, he owns a heavy duty weighing machine, charging a few rupees for its use, and a camel cart, for which he charges Rs.20 per trip.

These are used by commission agents. During the height of the crop season he makes between Rs.150 and Rs.300 daily from these 'minor' activities. This is equivalent to the monthly salary of a school teacher.

Officially, sugar and sugar products, wheat and wheat products, and from time to time other food staples, can only be bought and sold by the State, its agents, and the co-operatives. Two consumers' cooperatives are registered, in addition to the Government-operated 'Fair Price Shop'. These are the Mandi Sahkari Bhandar and Mandi Panchayat Karmacharigan Sahkari Bhandar, founded in 1960 and 1963. They are now defunct in all but name. The Government thus handles the retail distribution of imported wheat and other commodities like refined flour and sugar. These are sold at the Fair Price Shop against ration cards. In 1974-75 the FPS retail price of sugar ranged between Rs.1.30 and Rs.1.48 per kilogram and that of white flour between Rs.0.73 and Rs.0.77. This compares with Rs.3.50 and Rs.4.90 for sugar and Rs.2.35 to Rs.3.70 for flour in the grocers' shops. But despite the lower prices of the FPS, a steady trade continues on the black market in these commodities, since everyone who can afford it buys illegally.<sup>1</sup> The inferior quality of merchandise, lack of choice and unreliability of supply are persistent difficulties. Informants also asserted that the employees are unhelpful and often absent.

Hence, a significant proportion of grocery sales are unauthorised. Some provisioners act as authorised traders distributing the ration goods but government policy, overall, has been to curtail the activities and profits of private retailers in the food business. Only 20 have licenses locally. It is believed that retailers' strategy is to advance credit to farmers, who become indebted because of their incompetence in financial matters, and are forced to sell their crops at artificially low prices. It is also believed that

provisioners withhold goods in short supply during periods of scarcity, in order to push up prices and make fast profits. I shall return to the question of speculation below.

Credit, however, is not easy to obtain by farmers, unless there is a previous, long-standing relationship. Shopkeepers sometimes consider it worthwhile to give a few rupees of credit to a new customer, which they mentally discard. If returned, the transaction is repeated. It is not usual for farmers to receive credit from more than one provisioner, or any other kind of shop, because of the problem of assessing accurately their credit-worthiness. Whereas the village Mahajan is closely involved in the rural economy, the town Mahajan is not. Shopkeepers in Mandi asserted that the bulk of credit to the village is actually given to village Mahajans, on the basis of Rs.400-Rs.500 worth of goods taken at wholesale rates to be repaid at some specified time later. Credit is easier for government employees, since a few enquiries can discover how much a customer earns, how many dependents he has and how far he will be able to repay. Malik Gambhir Mal, a cloth merchant, controls the credit accounts of all the 49 government officials posted to Mandi, such sales coming to about 40-50% of his turnover. These customers are prized because of their regular salaries and the fact that they can be dismissed for indebtedness makes them prompt to repay. Nonetheless, they do sometimes abscond, leaving behind sizeable debts.

Credit in the form of cash loans used to be issued through cooperative societies but the tendency of farmers to treat loans as gifts, plus the failure of the government and the cooperatives to provide a service as flexible as that provided privately have led to poor rates of re-payment.<sup>2</sup> The lack of success of these rural credit schemes has been attributed by local officials to interference by businessmen.

Against this must be set the fact that in the area of the Mandi cooperatives, less than 10% of the societies' members are now eligible for agricultural loans due to failure to repay previous loans. In addition to the consumer cooperatives Mandi also has a cooperative marketing society, formed during the Second Five Year Plan, which also provides loans against pledged agricultural produce and arranges for the sale of agricultural produce at favourable rates. The society also helps to distribute seeds, fertilisers and insecticides. It has constructed a godown (warehouse) for which it received a loan of Rs.18,750 in addition to the yearly subsidy of Rs.6,250 which it receives from the Government. The working figures as of 30.6.65 are given below. More recent figures are unavailable:

TABLE 6.1

MANDI COOPERATIVE: WORKING FIGURES,  
1965

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Date of Registration	31.12.60
Membership	71
Share Capital (Rs.)	17,820
Purchase (Rs.)	142,500
Sales (Rs.)	143,688
Commission earned (Rs.)	444

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Source: Office of the Assistant Registrar  
of Co-operatives, Tonk.

Among the businessmen of Mandi there are varying attitudes towards giving credit. A few state that they give credit under no circumstances "since it would starve the business of capi-

tal". A second group say that they give credit just to friends, relatives and business people well known to them. Thus Bajrang Lal, another cloth merchant, refuses credit to farmers. However, he will act as a wholesaler and as an agent for cloth retailers in Mandi, taking 1% commission for negotiating the transaction with wholesalers in Gwalior, Kanpur and Ahmedabad. His clients then pay a further 1% to take delivery of the goods and pay the balance in installments. A third group do give a certain amount of credit, but mostly because they have no choice. This includes jewellers, dyers, and tailors, whose work consists largely of orders. If the customer comes on the appointed day with a sizeable proportion of the cash, say 50-75%, the malik often will let the article go, for a promise of the balance on another specified date. Finally, there are those who regularly offer credit. Nathu Lal, for example, deals with more than 200 rural customers at his cloth shop on a credit basis. He claims to know the personal circumstances of all of them: whether their parents are still alive, how many children, acres of land and cattle they possess, if and when their sons and daughters are getting married and so on. This wins the confidence of the customer and offers a rough and ready cross check on the viability of credit, both with that individual and the village from which he originates. If someone's buffalo died suddenly, for example, it is unlikely that this is an isolated incident and could presage an epidemic. The personalisation of business relations thus permits him to perform a continuous review of the regional position to repay and ensures successful credit dealings.

Those in the second group tend to be enterprises where purchases by any one client are intermittent (such as hardware stores) and hence a specific credit policy is not feasible. The most numerous credit-givers are mainly the provisioners, of which four said they gave credit regularly in

large amounts. One of them, Madan Gopal, offers credit facilities to government servants, town maliks and village Mahajans. He does not give credit to farmers. The government servants settle accounts monthly. Their credit limit varies according to salary, up to a maximum of Rs.500 in the case of superintendent of the power station. This comes to about Rs.2,000 per month out of a turnover of Rs.60,000. He also allows credit to the eating houses of Mandi, for buying onions, chillies, potatoes, spices etc. This is paid back every evening and totals about Rs.100 daily. Lastly he gives credit to village shopkeepers. There are about a dozen of these, who take goods once per week. Eight are small concerns, which take Rs.100 worth of assorted articles, bringing the money the next week and taking more goods. The others take about Rs.500 per week, making a total of Rs.9,000 per month out-going to village shopkeepers. Hence, in total, nearly 25% of Madan Gopal's sales are on a credit basis, though for varying periods and amounts.

The other three maliks have similar policies, though they do give credit to farmers. Credit arrangements with village Mahajans are here, too, the result of long acquaintance, in every case being inherited. Each has his own idea of how much credit to allow. It is much more difficult for them to assess how much a farmer can repay. Nonetheless all these maliks purchase local produce and if a farmer is a regular vendor his cash earnings can be estimated. The maximum credit given for the growing season is approximately Rs. 300, but normally much less, depending upon weather conditions. During the year that I was present, the region was declared a famine area. One malik said that, at its height, his sales on credit were cut to 15% from 30% during the previous season. All agree that if a harvest fails there is no point in exerting pressure on debtors, by legal action or otherwise. The costs are too high, both in terms of the law-

yer's fees and loss of reputation.

There are other types of business where credit is given, but the amount is not so large. A few, unofficial Mahajan moneylenders and some large landowners are willing to give cash loans to farmers but the bulk of credit comes in the form of goods given on trust to other shopkeepers. In a subsequent section of the present chapter the nature of merchantile credit will be discussed. It has been my aim to show here that the economic relations between shopkeeper and customer are more complex than the material drawn from ethnic stereotypes would suggest. The difficulties experienced by the cooperatives in trying to recover loans illustrates the degree to which the local economy is based on personal contacts. Farmers, and others, feel no obligation to state institutions and agricultural credit is treated, often, as a perquisite of office. The system of credit between shopkeepers works because the malik is personally involved in asking for re-payment. It also works because it is part of a complex social situation involving inter-dependency.

Thus one of the reasons why the small, unit shop has such a tenacity, despite the duplication of goods and services mentioned above, is its ability to build up a clientele. Credit is just one factor in establishing a reputation for helpfulness. Customers like to be greeted by name and to have time for gossip. The malik is expected to give courteous, leisuredly and attentive service. Frequent customers take it for granted that he will read and write letters and even casual customers expect to be able to use the telephone. If anticipated purchases seem substantial, glasses of tea should be brought. Even when purchasing the most mundane of articles, customers expect the malik to compare different qualities or draw new goods to their attention.



When a farmer buys a new skirt length for his wife, he expects the cloth merchant to select becoming material and is prepared to pay a higher price for personal service. With less usual purchases customers rely greatly on the shopkeepers advice. Most new articles would not be tried by villagers if there were not expert salesmen to explain patiently. The kind of atmosphere in which business is conducted in Mandi is found across the whole sub-continent in varying degrees and customers would resent the absence of it.

Although the odds seem to be in favour of the larger unit shop, or chain of small shops<sup>3</sup>, the multiplicity of functions performed by the smallest shop means that there is always room for another. The favourable economic climate prevailing in the region in recent years has permitted the penetration of retailing and, to a much lesser extent, wholesaling of commodities by non-Mahajans. 18 (32%) of the 56 provisioners and 4 (22%) of the 23 cloth merchants, for example are now run by non-Mahajans who, as noted in chapter three predominate in the less honorific enterprises. Recent economic changes have made shopkeeping, by comparison, less prestigious and also less profitable than other types of business and this has tended to displace Mahajans upwards and away from their historic niche. Ascending the economic ladder, two trends are apparent: first, the progressive invisibility of transactions; and second, the increased exclusion of non-Mahajans from them. Partly this is a matter of business acumen and acquired skills, but it is due in greater part to the greater need for secrecy, and trust, which tends to work against outsiders. In the following section I discuss the commission agencies.

#### BROKERS AND TRADERS

Commission agents are brokers, that is, they act as middlemen between the dealers in food grains, oil seeds and spices in

the cities and the local farmers. For this they receive a broker's fee or commission known as nafu (from munafa: profit on a deal) but occasionally heard as dasturi (customary cut). This is a fixed percentage of the negotiated price and is paid by the farmer. Occasionally it is paid by the dealer, who wants a certain quantity or quality of something without delay. In Mandi, the brokerage is expressed as so many rupees per hundred, and works out as 2% for food grains, 5% for oil seeds and 8% for spices. These rates are regulated by the government of India, though subject to state variations, and must be posted in every agency. In fact, they are observed strictly by the brokers, who risk losing their licenses for infringements.

The word mandi, as pointed out in the preface, means 'grain market' and there are two important ones in the region, one being the town of Mandi itself and the other at Malpura. Mandi is fed by the surrounding area for up to 40 miles. About 80% of the produce is brought to the market directly by the producers and the remaining 20% by village Mahajans. In addition to the 15 commission agencies, 43 shops of wholesalers and 20 of retailers are licensed to buy and sell grain, oil seeds and spices. The principal commodities handled are wheat, barley, maize, gram, mung-beans, mustard seed, linseed, cumin, coriander, red chillies and groundnuts. Their total sales during 1974 were recorded as Rs.18,000,000 (eighteen million rupees) in the office of the Secretary of the Krishi Upaj Mandi, the government agency which supervises the operation of the grain market.

The typical farmer has about 72 maunds of grain for sale, giving a total of 20,800 maunds of wheat passing through the grain market per annum.<sup>4</sup> He obtains just over a maund of groundnuts from half an acre and gets Rs. 200 per bag, each containing about 20 kilos. Of the 1,030 sq. km in the tehsil, 124

hectares are cultivated and the rest left fallow. It is clear, therefore, that the market has an extensive hinterland. A farmer arriving in Mandi with a crop tends to go to a familiar commission agency. Certain agents serve whole villages or caste groups. For example, farmers from Jaisinghpura patronise Ramesh Mal because he has land in the village, Jat farmers tend to go to the Jat broker, Sardar Singh, Gujars ask the Gujar Chairman of the panchayat samiti, who runs an agency in Mandi, to handle their crop sales and the tribal cultivators deal with the Mina commission agent, Chotu. Where crops are sold to a village Mahajan, who conveys it to a broker in Mandi, the connection between a town Mahajan and a village actually tighter. Brokers compete for these middlemen, and endeavour to secure their custom through favours.

Unless he buys the crop himself, the agent fixes the time and place of the sale, either on the official or the unofficial market places (see chapter three). It is his responsibility to engage and pay for the services of the town auctioneer and send runners to inform other agencies. If necessary, he makes arrangements for the crop to be stored in a godown. Crops are usually cleared through the market each day but the farmer may be advised by his agent to wait for a day or so during gluts. A farmer is not obliged to remain with an agency. However, the majority of farmers prefer to patronise specific agencies because they believe that the broker is consequently persuaded to gain good prices. For his part, a broker is not bound morally or legally to act consistently for any farmer. On the other hand, during scarcity, it is advantageous to have regular suppliers. So, whilst the arrangement is by no means mandatory, the amount of chopping and changing is small. Informants said that farmers do change their agent, if they feel cheated or there are unreasonable delays in being paid, but no cases were witnessed.

During the season, potential buyers gather together in someone's shop and gossip until they see what the morning offers. The basic ploy is to tease others into giving away information, whilst endeavouring to conceal one's own interests and concerns. Whereas, in the West, companies have market research, management information systems, trade publications, government statistics and other data to help them keep abreast of competitors actions, in Mandi there is none of this. The local information network acts as a substitute and much of the gossip and prying into others' affairs which seems so inexplicable to the outsider (see, for example, Gupta, 1974) has a sound commercial reason for its existence. Amongst the tea-drinkers will be merchants who have come solely for the gossip "to have a look and show our faces". Every malik deputes someone to attend, since absence is noted and interpreted as having something to hide. He will attend in person, if he cannot trust the temper of his sons.

When sufficient runners have announced the arrival of crop consignments, the buying agents decide in which lots they are interested and set off. 'Enough' varies from day to day, according to the urgency of the buyers and which crops are available. If different crops are on the market, the buyers divide into sub-groups according to commodity and go their separate ways. Mostly, because of the timing of the harvests, there is little choice. Cumin seed tends to be ready at one time, chillies at another and so on throughout the season. In this case the buyers, altogether, visit every broker's shop in turn along the bazaars, to inspect the crop and decide whether it should be auctioned. On alternate days they start at different ends of the Chaturbhuja Bazaar to give the selling agents a fair chance. If a broker is keen to buy, he makes an offer and, if this is accepted, there is no auction. The conditions which make him keen to buy,

however, apply generally, so few sales are made without competition.

The selling agent should pay the farmer immediately after the sale, in cash, and store the crop until the buying agent pays. Thus the agent who arranged the transaction for the farmer shoulders the risk at this stage. The purchasing agent has access to the crop when he pays the selling agent and is then responsible for shipping the consignment to its destination in the cities. Four commission agents are transportation specialists and will also handle the complicated documentation, for a fee. As asserted earlier, the selling agent need not arrange an auction if he wants to purchase the consignment himself. The farmer can insist upon it, if an agency agreement has been signed. But agreements are largely verbal and few are prepared to be bothered with finding another reliable agent. Here the broker would be hoping to take the entire profit from the sale instead of the smaller commission on it.

In this capacity, he should be termed a trader since he is no longer acting as an agent but trading on his own behalf. From time to time, middlemen are tempted to branch out as traders, for example, during a shortage or scarcity of a commodity. Agents contact the big city dealers nearly every day to obtain some idea of the volume required and the prices acceptable. If a local malik comes to know that, say, saffron prices are considerably higher in the city than they are in Mandi, he buys a consignment of his own and sends it to Jaipur along with his regular dealer's commissioned purchases. The city dealer is then entrusted with its sale and receives a token cut of the takings, such as 2%. Equally, the reverse situation could apply, where the city dealer hears about the regional shortage of a commodity and requests the broker in Mandi to handle local sales, deducting a similar amount as brokerage.

As long as these transactions are infrequent, little trouble, and mutually beneficial, this type of trading may strengthen the relationship between dealer and broker. Yet it is nearly impossible for the average family business to manage both commissioned business and large-scale trading. The malik risks antagonising contacts in the cities, since he is competing in their own market. Secondly, his dealers may believe that their money and names are being used for his personal transactions. If the deals fall through, their fortunes and reputations will suffer. From the perspective of the city dealer, a broker who is over-much concerned with private trading is likely to be an untrustworthy agent. Therefore they may also suspect him of over-invoicing commissioned purchases, buying further goods at lower prices himself to send to other dealers, and generally playing the local market.<sup>5</sup>

An alternative for the malik is to establish a subsidiary agency of the family business in Jaipur which can handle trading in commodities as a sideline. These are the prerogative of the largest and wealthiest Mahajan families. It is essential that the family is large enough to be able to depute a son or younger brother to act as manager. Mahajans are unwilling to trust anyone who is not a family member, as described above. Only the wealthiest families have the surplus capital and subsequent risk-taking capacity to establish branch houses in Jaipur. They are also in greater need of trustworthy, city-based agents because of the volume of business which they transact with city dealers. There are several examples: Gujar Mal's son, Narender, runs a transport agency in Jaipur; Madan Gopal has a brother who is a gem dealer in Jaipur; Kapoor Chand has two sons in the city, one running a factory in Jhotwara Industrial Estate; one of Bajrang Lal's six sons is a government officer in the Secretariat in Jaipur, but runs a part-time commission agency;

and Radha Mohan's eldest boy runs a souvenir shop in Jaipur. All perform useful functions by establishing new business contacts, gathering information and being strategically located to cope with problems in repayment or missing consignments.

For most family businesses, however, large scale trading and commission work are incompatible and the malik has to choose between them. Frequent absence of the malik from Mandi endangers both the family's business interests and social relations. Other merchants tend to suspect him of trying to steal their dealers, and are unwilling to help him succeed in business where they cannot. The malik's presence at town auctions is no longer requested and credit facilities are withdrawn. Lastly, the malik's regular clients are likely to be enticed away. Only one family business has been able to combine individual trading with an agency business. This is discussed in more detail in the following chapter.

Mention has been made of crop buying by town shopkeepers. These transactions clearly overlap with the brokerage trade. Though food staples are regulated, with subsidiary crops there is less restriction on their transport and sale. Musk melons, for example, are sold by the acreage to local maliks at the rate of Rs.500 for half an acre. The actual number of melons is not relevant. Again, a malik will pay between Rs.40 and Rs.50 for five baskets of sag (green vegetables) each containing eight kilos, selling them at Rs.2 per kilo in Mandi or sending them to Jaipur. Crop buying is most successfully combined with the provisions business. The crops reach the malik in three ways: a) direct sales by farmers; b) via small shopkeepers in Mandi; c) from village Mahajans. If a farmer is a regular credit customer, he is under a moral obligation to sell his crops to the creditor. When a malik gives credit to a number of small shopkeepers, he expects

to have first refusal of any crops they obtain. This is stated overtly by wholesalers as a reason for taking wholesale credit customers. The third system is somewhat different. Either the village Mahajan uses his own capital to buy crops, later negotiating a price with a town shopkeeper, or he may act as the malik's agent, the latter advancing the cash to make purchases and advising the prices acceptable.

To run a successful crop-buying business about Rs.10,000 to Rs.20,000 are needed. One malik buys entirely on bank overdrafts but most are suspicious of banks and use the banking facilities of family firms to pay loans. These will be discussed in the following section. The crops are sold to commission agents, or other town maliks or despatched to city dealers. The former two are preferred since the price is known and the risk is manageable. If the crops are despatched, the price may have fallen by the time the consignment is sold. Furthermore, the malik must be careful not to over-reach himself. Most do not separate retail from wholesale capital, which can deprive the retail business of funds. If the retail business dries up, the malik may lose the customers who provide the wholesale business with merchandise.

On the whole then, a self-regulating process counteracts the ambitions of town merchants to become 'big time' traders. Moreover, the majority of shopkeepers and commission agents have other business interests in addition to broking. The choice of migration to the big cities is rejected, since the uncertainty of starting a dealer's business in a new place hardly measures up to the certainty of a good living in Mandi. At times of scarcity, the temptation to make some fast rupees may be overwhelming and the city dealers are so keen to obtain grain, oil seeds or spices that they are prepared to change roles and take a cut from the agent's



private consignments. The prevailing pattern is, nonetheless, for commission agents to make their money from a percentage of negotiated sales, rather than taking full responsibility for the goods and thus the entire profit from the deal.

#### FINANCIERS AND MONEYLENDERS

Some family businesses specialise in confirming and financing transactions. The involvement in fringe banking tended to confuse earlier commentators, who were often unsure whether to classify firms as commercial or financial, (see, for example, Anstey, 1929). Gadgil (1951, p. 5) has suggested that banking was a crucial part of every successful business enterprise. Commenting on Moghul era firms, Moreland's remarks (1923, p. 158) "I have not noticed any record of a banker as distinct from a merchant or a prominent merchant confining his transactions to a particular line of goods". It seems sensible therefore to conclude that banking and trading shade into each other and that over-rigid classification is unhelpful.

However, deposits of money are taken very rarely, held for short periods of time, say three or four months, and in relatively small amounts, for example Rs. 30,000 or Rs. 40,000, which as Jain (1929) indicates, is a situation inexplicable to those who have regarded mahajani transactions as simply banking. Returns on deposits are as low as 3-5%, a rate hardly calculated to stimulate enthusiasm. In certain cases a charge is made for taking care of the money. Considerations of security play some part here, as in merchants' reluctance to change money, for to let it be known that the firm keeps large sums of money to hand is dangerous. Since deposits are, from the point of view of a banker, other people's money, they are necessarily his liabilities. In addition, those requiring others take <sup>to</sup> care of their cash

are destitute women, such as prostitutes, who are inauspicious and polluting persons. There are exceptions; it is an act of religious merit to administer the financial affairs of schools, temples, dharmshallas, ritual and voluntary associations and so on.

The confirming house (so-called because, by providing intermediate finance, the credibility of the client is confirmed) takes an interest of about 2% to 3% per month on the value of the transaction. This is, however, negotiable and dependent upon successful completion of the deal. In a sense, the confirming house acts as a stakeholder. Confirming is regarded as an honourable and prestigious economic activity and a loan from a confirming house is a legitimate source of finance. However, resorting to a moneylender for a loan, upon which interest is payable whether the deal goes through or not, is shameful. As Mines (1972, p. 61) suggests, borrowing from such a source is done secretly since it reflects badly on the debtor's reputation for economic solidarity and independence. It was pointed out in the preceding chapter that families who make a living by lending money take the lowest status in the mercantile community. The line between moneylending and confirming is slim and it is possible that a good many maliks have used moneylenders as a source of finance at some point in their careers, or even borrowed from wealthy farmers. A critical feature would appear to be that, in confirming a transaction, cash does not pass from hand to hand, whereas in moneylending it does. But there is also the question of clientèle again. The moneylenders make a full time living from advancing relatively small sums of money at extremely high rates of interest to barrow boys, hawkers, and the proprietors of small shops as well as villagers. By contrast, confirming associates the malik with high status merchants involved in established businesses, and this is a source of prestige. I shall return to this point later.

The marginal status of moneylenders is illustrated by the following incident. The widowed daughter of Nikku Das, a moneylender, returned to live in Mandi with her natal family after many years. Shortly after her return, the household was invited to the wedding of a local Mahajan family. Unusually, the widow attended the festivities and a malik, who had wished to marry her some years previously, offered money to the eccentric son of another malik to make amorous advances towards her. The boy did this, whereupon her two brothers leapt to avenge the insult by beating him. Immediately every hand in the room was against the brothers and they were driven out of the house. Afterwards, they were condemned for hitting a "harmless lunatic". People said that the family would not be invited to weddings in the future since "they behave like animals". It was interesting that noone argued that the widow had been insulted beyond the bounds of human tolerance, according to local custom, and family honour jeopardised. Nikku Das was not present at the wedding, but nonetheless the attack upon him, though indirect, was effective. Since he and the malik were distant kinsmen through marriage, retaliation could neither be immediate nor direct since kin must appear to agree. Nor could he even confront the malik and request him to discipline the boy without appearing ridiculous. Most importantly, being barred from future weddings meant effective social isolation. Weddings are the most important occasion when Mahajans from different jatis congregate together. Every family present had made use of his moneylending services in the past, according to one informant, and because of this the family were obligatory guests at weddings. Ostracism had thus been effected in the most public manner possible while simultaneously cancelling out redress.

Financiers are amongst the most secretive of all local businessmen, therefore detailed data concerning the organi-

sation of financial transactions could not be collected. However, there are a variety of ways in which mercantile credit is arranged; some of these are informal and some are formal. Mahajan families who have banked enough social credit can nearly always negotiate per hath loans, that is temporary, interest free loans, from their business acquaintances. As Jagdish Lal explained "If two lakhs are lost the banks won't help because they know we are in difficulty. So we borrow from family members and friends who feel affection for us". "When friends know that we cannot get hold of the money to pay bills because of the short notice, they give it without questions, but they take care to get it back", said Chand Mal. Sometimes the debt is transferred to the account books, but Mahajans do not always take written records and as much as Rs.10,000 can be advanced on faith. However, maliks must be careful not to impose too much, since frequent resort to per hath (literally foot-hand) loans represents faulty judgement. It also puts the family in the position of perpetual client to the community which is disastrous for its reputation in the long run.

The simplest example of formal financial support is the hundi<sup>6</sup>. This is a letter from one malik to another guaranteeing that his client will pay the money owed, providing that the goods or services are delivered, usually within a specified time. The clients of both maliks might be resident in Mandi, in which case the hundi would be used for deals between merchants who had never, or rarely, or not on so large scale transacted business previously. However, it is when potential business associates reside in different towns that the hundi is most effective. The maliks transfer the debt by book entry; their respective clients reimburse them or draw upon them for cash later, as appropriate.

The hundi therefore permits trust between strangers by providing access to the mutual confidence of intermediaries.

It minimises the uncertainty of doing business in an unfamiliar environment and removes the need for travelling. It may be drafted in Hindi, if transferring the debt between states or across caste boundaries. It is most likely to be drafted in the Marwari script and dialect (sometimes called Mahajani). This is one aspect of the symbolism of the hundi, which is complex, and is underscored by the transformation of the letter of credit into the bill of exchange, in Marwari, still a hundi. Here the letter is addressed to a client or several clients and is underwritten by several eminent Mahajans. The larger the sum of money involved in the deal, the greater the number of signatories. Not only is the risk spread, though if there is much risk prestigious financiers will avoid the transaction, but the deal is more soundly guaranteed. Thus the signatories are both directly and indirectly expressing their mutual esteem and faith as collaborators, in this and other transactions, both in the past and in the future.

Hundis also have a monetary value. They can be bought and sold, used instead of cash for payment and as security for other financial transactions. As hundis circulate amongst the maliks they act as a trade directory. If a family name has never appeared on a hundi, for example, it is improbable that the current malik of the family firm will be invited to act as a guarantor. If a regular signatory ceases to sign joint promissary notes other merchants will receive a message of instability. Again, the signatures at the foot of a hundi not only associate individual family firms with others but also rank them. Certain families by common consent take higher and more prominent positions on the hundi, reflected in the order of signatures, which symbolises their higher credit rating within the community. (In a personal communication, Rodney Clark has pointed out that, this is very similar to 'tombstone' advertisements in the Western

press which announce the underwriting of new issues).

Thus it is possible to discern a fairly fixed hierarchy of financiers, with an upper echelon of Mahajan magnates, who would correspond to the seths. Below the seths and partially dependent upon them are a series of cliques of businessmen. The cliques are not watertight circles and it is possible for a malik to participate in more than one clique. Again, where the need for secrecy is paramount, a malik may borrow from one clique and lend in another. This is especially true of the seths, whose reputation depends on a name for financial independence. Since membership of these cliques is by invitation, the less stable and credit-worthy businesses are excluded. Because other financiers know the risk of being associated with them in deals of any sort, they are forced to transact business amongst themselves. Hence socio-economic standing is determined by association. The more reputable a clique to which a malik belongs, the more credit he will be given and the more legitimate the business that comes his way.

Legitimate financing therefore remains relatively closed to newcomers and for them the temptations of high profit but high risk and illegal transactions (such as moneylending) are considerable. Moreover, whenever low-ranking cliques experience difficulties through involvement in these activities, members of the higher ranking cliques will not assist them. They are unwilling to have their names associated with low status firms even where the pecuniary advantage is high. The failure of the less reliable cliques thus perpetuates the financial hierarchy and the supremacy within it of the seths. One such clique consists of Nathu Lal, Madan Gopal, Durga Lal, Kesar Lal, Kapoor Chand and Phool Chand, of whom three are Khandelwal Vaishnavas, two are Agrawal Jains and the last is Khandelwal Jain by jati. Another group is composed of

Gambhir Mal, Phool Chand, Tara Chand, Satya Narayan and Bajrang Lal and again there is a spread of jatis: one Agrawal Jain, one Agrawal Vaishnava, two Khandelwāl Jains and an Oswal. Neither caste, nor kinship therefore, would appear to be significant in the formation of cliques, though length of residence in the town is. Generally speaking, longer length of residence corresponds with greater stability of the family firm and higher remuneration from respectable ways of acquiring wealth. By way of concluding this section it may be stressed that manipulation of unequal access to information is general. Control of information, exclusivity and secrecy, for example, are important factors in the formation of ethnic monopolies of trade in Nigeria (Cohen, 1969b) and Ceylon (Leach, 1961). Because of the risks involved in business, this results in more exclusivity, rather than less.

#### RISK-TAKING AND SUCCESS

All Mahajans are involved in risk-taking to a greater or lesser extent, depending on the type of concern. Whether he likes it or not the malik constantly has to part with money or goods on trust to clients. Without this trade would be impossible. The shopkeeper, has to anticipate the wants of a clientèle which is prone to disappear and leave him to bear the costs of tying up capital in unwanted goods and credit of one sort or another, in addition to the costs of storage and damage. The propensity of shopkeepers to copy successful lines has been noted above. As a commission agent, the malik bears prime responsibility if the buying agent defaults. He, in turn, is responsible for the grain, seeds and spices, from the time he has access to the selling agent's godown until the consignment reaches the godown of the dealer in the city. Every time a consignment is shipped, the agent trusts that he will be reimbursed. Again, although the transport agent should bear loss in

transit, the malik is held accountable by the city dealer and must compensate him. Commission agents acting as traders risk thousands of rupees every time they send a personal consignment to the dealer. There are associations of businessmen in the broker marts, part of whose function is to regulate problems in payment, but there will be an inevitable delay, in any case.

Thus maliks must have good connections with their customers, with other merchants in Mandi and with merchants in the big cities. Such contacts would be those between a shopkeeper and his suppliers and commission agents with commodity dealers. The latter are particularly concerned with maintaining useful contacts, for in order to bid effectively in the daily auctions in Mandi they must be attuned to price and commodity flows. Information is their business and lack of knowledge can cause significant losses. If a commission agent makes too high a bid for a already overstocked commodity, which his client in, say, Gwalior refuses to accept, he would be left to bear the loss, paying substantial warehousing charges and taking the risk that prices might rise in the near future, whilst in the meantime his capital is tied up completely.

Mostly a malik has one dealer in each city, frequently but not necessarily belonging to the same jati. Brokers compete for reliable contacts and therefore try to secure city dealers through moral obligations, for example keeping large sums of money in their dealer's books to demonstrate trust, regularly transferring small sums of money to keep the connection operational, and occasionally succeeding in the stratagem of arranging a marriage. They similarly endeavour to constrain local commission agents' actions through transfers of credit for small services. Thus a malik could give 3% of the value of a consignment to another for intro-



ducing a client, or request him to arrange for the packing and transportation, including 1% commission in the estimates.

Though these are gifts, they are presented as business transactions in order to dispel the illusion of patronage. Both parties are, nonetheless, aware of the implicit duty of the recipient to reciprocate. As Kajur Mal explained it, "I give you something, now you give me something". This is paralleled by the practice of circulating stock between shopkeepers. One cloth merchant, for example, offers cut lengths of a new design to another on a sale or return basis. In terms of formal economic theory this is irrational, as the advantage of sole control of a scarce resource has been surrendered for apparently nothing. However, the 'free' offer either augments a pre-existing relationship or creates a new one. In this way the impersonal forces of the market are re-personalised.

Trading is not only more risky than agency business but merges into illegal activities, such as hoarding and black-marketeering. It is popularly believed that fortunes are made by merchants through 'hoarding', that is keeping goods off the market, thus creating artificial scarcities and pushing up prices. (Fox, 1969, p. 151; Hazlehurst, 1966, p. 63; Mines, 1972, p. 55) As every broker must have a warehouse it is difficult to refute these charges. Even legitimate traders dread false accusations which could lead to losing their licenses. Mines (1972, p. 69) similarly notes that, in Madras, jealous and competing merchants secretly inform on each other to government officers concerned with the regulation of trade.

More reprehensible than trading, for Mahajans, is speculation in futures, by which is meant contracting to buy a fixed quantity of a commodity at a specified price by a certain date, sometimes arranging to sell to a city dealer

on the same basis. This sounds relatively riskless, until it is realised that the trader is gambling that the free market price will rise above the contract price to the farmer, or fall below the price fixed by the city dealer. Speculators have been amongst the most successful Mahajan families (if success is measured by rapidity of becoming wealthy) but speculation tends to be the prerogative of newcomers. The malik of a speculative firm, nearly always an outsider, may make high profits but does not enjoy high status. Involvement in speculation is thus the hallmark of families in the ascendant, in local phraseology: aanewallahs. It is typical for the family firm to transfer capital thus acquired into safer and more prestigious businesses.

Occasionally, established Mahajan families are tempted to speculate in scarce commodities (including soap in 1974-75). However, this happens when credit relations are secure, capital available and the risk small. It exists in opposition to the distaste expressed by Mahajans for speculation, which is categorised, along with moneylending, as nilam (gambling or gaming). This does not derive from any moral qualms particularly, but from the threat which speculation poses to the community by endangering other families, who are involved in the network of financial transactions. Speculation, like commodity trading, is tolerated as long as it is small-scale and relatively risk-free. As a full-time occupation for a family firm it is as dishonourable as moneylending, because of its instability.

Briefly summarising the main points above, risk-taking may be an integral part of business, but the simple ability to take risks as such is not admired. Again, though the speed of amassment of capital through speculation may be envied, the means of acquisition is deplored. The tendency is for families to phase out their speculative activities,

putting capital into a wider spread of activities which reduce the risk factor, with the ultimate social and economic goal of becoming a landlord town property. This process is sufficiently like the model proposed by Timberg (1973) for it to appear basic.

Timberg has divided migrant Marwari firms of the nineteenth century into three types: the great firm, characterised by extensive banking, trading and insurance activities; the banian or agency firm; and the speculative firm. The speculative firm, largely owned by 'new men', operated on the speculative markets for commodities and securities. As speculative fortunes were made, whether in the opium trade of the early twentieth century or during the World Wars, the money was transferred into industry, landholding or government banking, that is more honorific forms of endeavour. The honour sought by migrant Marwaris is traced through three stages. In the first is the traditional seths' role as the feeder of Brahmins (sic), builder of temples and financier of princes. In the second, honour is sought through association with the British: titles and invitations, posts as government bankers and agents to the larger British trading houses. Charities are now those approved by the Raj, such as famine relief. Lastly, there is involvement in nationalist and social reform movements, and the construction of indigenously-owned and sophisticated industry. Donations now go to nationalist leaders.

There are, however, some divergences which need to be noted. Firstly, because Rajputana was outside the aegis of British administration in the pre-independence period, association with the British was an insignificant factor in the management of status. The second point is allied to the first, in that participation in the nationalist and allied movements also seems to have been minimal. Thirdly, although Marwaris

have a reputation for arriving with nothing and, within a few years, buying up land from their customers and making large fortunes from real estate transactions (Millman, 1954, p. 39; Timberg, 1971; p. 268; Gupta, 1974, p. 52), locally the acquisition of land by this method is not often pursued. One reason is that organising cultivation is a distraction from the preferred profession of business. Only one malik has a farm, which he inherited from his father. This had been acquired from a debtor, who had mortgaged his land as security for a loan of the necessary cash to pay for a wedding. Gujar Mal had obtained the Thakur of Mandi's palace and orchard in a similar way. However, in general, there is evidence that Mahajans have tried hard not to tie up their capital in land. Bayly (1975, p. 14) uses the concept of restraints of status to explain why high prestige bankers did not intervene directly in land management, despite their considerable power at the sub-Moghlai courts. This possibly explains why prestigious Mahajan families today in Mandi continue to live in cramped conditions in their ancestral havelis in the central part of the town, are unaffected in patterns of consumption and attitudes by the acquisition of urban property and do not indulge in a nawabi life-style.

#### SETHS AND MALIKS

In chapter four the complex process whereby a malik achieved political influence in the Mahajan community was introduced. It was argued that acquiring the status of seth was signalled by invitations to adjudicate in disputes.<sup>7</sup> Important criteria for recognition as a seth were said to include patrilineal descent, age and length of residence, control over centrally located property, size and scope of business enterprises, relations with other maliks and especially with accredited seths. There is a gradual transformation of social identity during which the malik comes to regard himself as a leader

of the community and others to interact with him on that basis. Nonetheless the separate statuses of seth and malik are clearly distinguished indigenously.

A seth is involved in a variety of relationships: with fellow seths, who are equals and potential competitioners; with a clientèle of customers and associates; with the clientèles of other seths and maliks; and with town politicians who, as I shall show below, are actual rivals, and their dependents and followers. A seth is constantly extending mercantile credit, thus creating obligations and dependency on the part of those who come to sit in the shop. Discussing political leadership amongst Swat Pathans, Barth (1970, p. 11) asserts that "Allegiance to the chief is expressed by the mere act of visiting his men's house" and this is true of Mandi also. That "they sit in each other's shops" is a manifestation of the friendly association between maliks and is used by Mahajans to evaluate the relative prestige of business cliques. The willingness of a seth to be seen calling at the shop of a particular malik (as opposed to requesting him to call) publicises the fact that he is now to be regarded as an equal of the leaders of the community.

The essence of a seth's position is economic security, but such security is relative and depends upon his ability to muster economic support. Many persons with whom the seth has economic relations are not obliged to support him but it would be a mistake to suppose that the seths are without power. Because of their nodal positions in the credit network, without good social relations with the seths access to credit is difficult. A seth who withholds his name from a hundi indicates the withdrawal of trust. Conversely, a hundi bearing the name of a seth confirms that transaction absolutely and guarantees the integrity of his client. Hence

the seths have control over considerable economic and, by extension, political power. The destruction of business reputations and manipulation of financial collapses lie in their hands. This is why maliks defer to them, in part.

To be a poor seth is hence conceptually impossible. Some newcomers have become leaders or elders of the Mahajan community but many more hover around the economic and social fringes. Without a sponsor in initial business transactions, penetration into the steadier, more lucrative and prestigious types of business is difficult. Even with a sponsor the process of initiating transactions is lengthy. Mahajans hesitate to do business with strangers and will do so only as a favour to the sponsor. Sponsors may or may not be kin, though the presence of kin in the town does make business easier. As a newcomer establishes his own reputation, invitations to participate in transactions with increasingly prestigious merchants follow. A good reputation is based upon the strength and direction of business connections and unblemished record of trustworthiness. A merchant who arrives thus far is now recognised as a Mahajan. Otherwise he is categorised as a mere Bania, if anything, signifying absence of standing.

This category consist of merchants engaged in relatively unprofitable businesses, like kirana stores or bangle shops. The shop is rented and the malik and his family live in two or three small rooms above. Banias have a precarious existence, often resorting to illegal and semi-legal practices, such as pawn-broking, to eke out a living. As well as newcomers, it includes residents who have failed to make a going concern of their business, or who lack the experience or capital required to set up business on their own account and therefore act as managers. These people are therefore not 'well-settled' in the business community and take the lowest status.

A Mahajan, by contrast, would be permanently settled and have extensive business interest in the town. Mahajans, typically, are commission agents, cloth merchants or provision wholesalers. These occupations require large amounts of capital and considerable experience and acumen. They also necessitate wide investment in credit relations with Mahajan customers, clients and agents, both locally and in the regional commercial centres. Because they are stable and lucrative, these types of business are prestigious, in contrast to the unstable, unprofitable and frequently disreputable character of Banias' business enterprises.

The third category would be the seths, thus the merchant community can be seen as a series of superimposed sets, with the least honorific category at the bottom, the smallest and most honorific category at the top, and the bulk of Mahajans distributed in between. Social stratification is reflected in the spatial distribution of the categories through the bazaars, with the seths clustered towards the centre and the Banias located at the periphery. The difference between insiders and outsiders is therefore easily conceptualised. The critical features of being a Mahajan are summarised in the following statement by Madan Gopal, one of the wealthier merchants.

"To be a Mahajan means to have respect and to be a good man. A Mahajan must be over forty years old and wealthy, but not too rich, otherwise people will ask how he made his money. He should have a comfortable size of house in the middle of town. He should have a large family and have made good matches for them with children from good lineages. He should be settled in his business and sit in the shops of other rich men of the town. No one must say anything wrong against him".

The seths and those maliks who for some reason do not entirely conform with the mental image of the seth, but who

are nonetheless held to be excellent credit risks, are thought to be asli (high or good quality) as opposed to halki (low or bad quality). The latter is often applied to speculative businessmen and moneylenders. Asli Mahajans can nearly always negotiate a loan if they have suffered a grave loss. This is not the case with a halki merchant, no matter how wealthy, since he lacks prestige. This traditional model of prestige is now being challenged by the industrial entrepreneurs, in the sense that risk-taking is patently paying off and undermining indigenous ideas concerning the relationship between risk and success. The rapidity with which those families owning oil mills have become rich resembles speculation more than anything else. This would be less reprehensible were the benefits transformed into manageable criteria of status in the traditional mould.

However, for the simple reason that non-family labour is employed on a considerable scale (each mill hires between 30 and 40 casual labourers) mill-owning infringes customary patterns of behaviour. Employment fluctuates seasonally and whereas during the winter months the mills operate for 24 hours per day, during the monsoon rains they close down. Because of the intermittent employment and because the busy periods coincide with the harvest, the majority of the labourers are female. This is unacceptable to Mahajani ideas concerning the strict segregation of the sexes noted previously.<sup>8</sup> Apart from religious injunctions against taking life (crushing oil seeds, like flour-milling, is thus possibly a polluting occupation), the situation of the oil mills in the peripheral parts of the town also runs contrary to indigenous axioms to buy property in the prestigious, central area. Another significant aspect is the involvement of the industrial entrepreneurs in relationships with persons who are not known to the Mahajan community in Mandi. Whilst all local businessmen are dependent to some extent on connections out-



side the town, there is nonetheless a sense of community. Primary relations are in most cases with other Mahajan families in the bazaars. They compete with each other, but they also cooperate by guaranteeing and confirming transactions for one another. These relationships with distant family firms hence contravene the assertive norm of the necessity to maintain and perpetuate good connections with Mahajan families whose social standing can be assessed positively.

The increasing heterogeneity of the urban business community is affecting other kinds of social relations and this is manifested especially in the realm of social control. It is axiomatic in sociological analysis to draw a distinction between conflicts which do not contradict the basic assumptions upon which social relations are founded and conflicts in which the contenders no longer share the basic values upon which the legitimacy of the social system rests. It is, of course, the former type of situation which was described in a previous chapter; that is to say, although disputes occur, the question of how they are to be settled is not an issue. As the following example show, the authority and leadership of the seths is under attack, in that the disputes were solved without recourse the customary pattern of conciliation through intermediaries and ultimately an assembly of elders.

Control over property is control over a crucial economic factor in the organisation of town commerce, as described in chapter three. Because of the permanent scarcity of accommodation in the Mahajan mohalla, intense competition has developed between wealthy merchant families. As soon as property comes on to the market it is purchased, within a few hours or even minutes of being offered for sale. Not surprisingly, many disputes concern property. Scarcely a fortnight passes without some quarrel over boundaries.

A few years ago a Jat zamindar sold a house site on the Chaturbhuji Bazaar. It was bought jointly by two Khandelwal Jain families, who were neighbours and wanted to extend their adjoining havelis to accomodate growing families. Trouble commenced soon after construction began on Ramesh Lal's house. Gujar Mal accused him of encroaching beyond his allotted share, and work was stopped whilst the situation was discussed. This took many months. When construction recommenced without agreement being reached, Gujar Mal threatened to obtain a court order for demolition. Ramesh Lal disbelieved him and carried on with the extension, but broke off all relations between the households. As the work neared completion, Gujar Mal organised a gang of barrow boys to kidnap Ramesh Lal's two daughters, who went every day to their grandfather's house in the Gujaran mohalla. When Ramesh heard what had happened, he sent servants to the Bus Stand to raise another gang, who broke into Gujar Mal's house to abduct his wife and daughters. In the ensuing fight, Ramesh Lal was stabbed and severely wounded. He was taken to hospital in Jaipur where, allegedly, an attempt was made on his life. The town was filled with speculations. One was that Gujar Mal tried to arrange for Ramesh Lal to be suffocated by a nurse; another rumour had it that a lethal dose of adrenalin should have been administered. It is impossible to assess the veracity of the stories. However, Gujar Mal did arrange for Ramesh Lal to be transferred to Chhattisgarh, a remote tribal area in Madhya Pradesh. This effectively meant the end of his career as a doctor. Though trained in allopathic medicine, he had established a profitable private practice in homeopathy and ayurvedic techniques. Six months later, Ramesh Lal volunteered to join an Indian medical team to Iran. His father, a Jain pandit, said that Ramesh Lal had left because of the scandal, though there can be no doubt that he feared for his life. Gujar Mal has a reputation for being a dadaji ('fixer' lit. grandfather) and his nickname

'Bhayanker' means 'dangerous'.

Two points arise from this example. The first is the lack of internal redressive mechanisms for coping with violent conflicts. The second concerns Gujar Mal's access to external political resources. As a Member of the Municipal Board, he has contacts in the State Administrative Services, who effected the transfer of Ramesh Lal on his behalf. In doing so he demonstrated insubordination to the traditional conciliation and arbitration services of the seths. It is this circumvention of customary authority which represents such a challenge to their leadership. The second example concerns the oil mill strike of May/June 1975.

On the morning of 30 May handbills were circulated in Mandi, announcing a hunger strike because of the shortage of electricity. The Hindi and English language newspapers were telegraphed with details of the dispute. Later the same day, 400 male and female labourers 'gharaoed' (demonstrated against) the Chief Engineer at the Electricity Board office. The hunger strike began later the same evening with four young men: Padam Chand, Rameshwar Todwal, Mahavir Saraf and Hemant Patni sitting outside the office and threatening to fast to death. The strike in fact lasted three days.

Intermittent electricity had been a problem throughout the hot weather but reached a nadir in May, due to a burnt-out transformer at Mandi sub-station. Hemant expressed the problem this way. "We must have electricity guaranteed for the hours of 9 pm. to 6 pm. At the moment we get it sporadically through 24 hours but that's useless. Every time we stop production we have to clean the machines and it takes two hours to get them going properly again". On average,

Hemant Oil Mill produces 25-20 barrels per day but output had fallen to 3 barrels per day in May, causing a loss of Rs.5,000 in the fortnight previous to the strike. Other oil mills were similarly affected. On 5 May the millowners association had sent a registered letter to the Rajasthan State Electricity Board asking for help and on 9 May wrote to Rajasthan Vyapar Udhyong Mandal (the representative body of trade and industry centred in Jaipur), to which 75% of businessmen in Mandi belong. However, they did not consult the other business associations in Mandi before doing so, nor were the latter informed of the millowners' intention to hold a hunger strike. This was decided at a meeting held in the Agrawal Oil Mill on 26 May, to which only members of the Tonk-Mandi Udhyogic Sanstha Sangh (to give the oil mill-owners' association its full title) were invited. Though two millowners were against the decision the vote was carried, again a departure from the customary practice of consensus, and the RVUM was informed of the decision. The RVUM accordingly contacted various ministers in the State Government and the matter was debated in the Legislative Assembly. The strike now became a major issue in the state. The district collector and superintendent of police from Tonk visited the town to try to dissuade the hunger strikers, to no avail. Electricity was fully restored on 2 June via Chatsu power station and the faulty transformer in Mandi was replaced on 4 June. Local opinion was tersely summarised in Kapur Chand's comment "At least one of the four should have been a seth", by which he meant that lack of consultation with the customarily recognised leaders of public opinion was an unnecessarily provocative action. Like many of the older, more conservative Mahajans, Kapur Chand felt the unilateral decision-making of the younger men as a threat. Whereas the ritual and voluntary associations reaffirm and reinforce the leadership of the seths, the new association of industrialists accord them a much less than central place in the

organisation of activities, thus tacitly undermining their authority.

Briefly, then, the economic changes taking place in Mandi and its region have had reverberations outside the economic sphere. The ramifications of investment in oil mills also extend into ideology, as novel methods of making money confront traditional ideas about prestige and success. Though industrial entrepreneurship might be denigrated by ultra-conservative Mahajans, nonetheless the sheer speed with which this has amassed considerable fortunes for certain families cannot be dismissed. In addition, though there are few merchants who would accord the oil mill owners the status of seth by virtue of money-making ability alone, there are also few who would not award them any prestigious status. Hence, we may say that two systems of status are emerging in Mandi, based on two sets of criteria regarding the meaning of success. As yet they are unreconciled and this is bringing about a re-interpretation or perhaps a re-evaluation of traditional business ideology as set out in the previous chapter. This has important implications for the nature of leadership in the town and hence for the nature of communal decision-making processes. In the final chapter, I shall pick up this point again. The following section deals with the interaction between business and politics, by which I mean the formal structure of municipal politics as opposed to the informal politicking which is integral part of any small scale, 'face to face' community.

#### BUSINESS AND POLITICS

Under the Jaipur State Municipalities Act, 1943, a Municipal Board was established at Mandi in the Chaturbhuji temple, situated in the main bazaar (Basrao, 1975, p. 16). Later the office was shifted to Madho Lal Kansaliwal's chobara,

from where it moved in 1965 to a building owned by Deva Lal Todwal. Thus from the beginning Mahajans were involved in urban politics. At its inception, the board was nominated by the State. It consisted of the town Medical Officer, a Mahajan, Sri Durga Lal Todwal, and the tehsildar of the town was its ex-officio Chairman. Partial elections were held in 1946. In 1951, for the first time, the board was fully elected and a Chairman chosen by the members from among themselves. In the first chapter, it was suggested that at the time of independence, Mahajans (and others) were unfamiliar with the processes of democracy. It was argued that this hindered the realisation of the potentialities of public office and that amongst the older generation of Mahajans an unfavourable evaluation of political processes continues. This cynicism of politicians' motives has hampered positive response to external authorities and to externally directed change.

Another important feature in political development has been the proportion of Jats in the demographic structure of region. The northern areas of Rajputana, especially the Jat States of Bharatpur and Dholpur, were the home of Jat leadership in the Praja Mandal and Kisan Sabha movements, often operating within the nationalist movement, and of an agrarian radicalism which according to Schrader (1968, p. 234) has not been relinquished. The Jat leaders' revolutionary aims, class-oriented organisation and violent strategies, alienated Mahajans from participation in the nationalist movement. After independence, the prolonged political crisis over ja-girdari tenure and the redistribution of lands reinforced Mahajans' interpretation of politics as dangerous and alien to their interests. At the height of the struggle, in 1956, thousands were held under preventive detention in Rajasthan goals. The breakdown in law and order throughout the State was not resolved until 1958-59, when direct rule from Delhi was imposed.

Thirdly, the Mahajan's mental association of Jats with the Congress Party was boosted by the agricultural bias of the first Five Year Plans and the essentially rural interests of the Jats themselves. Whilst benefits in terms of irrigation and electrification schemes, changes in land tenure, and crop and animal improvement programmes were clear, these had little significance for Mahajans' economic interests. Certain changes, such as the introduction of the co-operative banks and the takeover of the wheat trade constituted an attack on them, through the restrictions on trade. Gupta (1974, p. 32) comments "Everybody in trade has not only to master a plethora of laws, rules and regulations but must maintain a constant vigil and be always on his toes to be on the safe side of the administration". This statement could have been made by any one of Mandi's merchants.

The decision of the Maharani of Jaipur to join the recently formed Swatantra Party in 1962 and to campaign for election to the Lok Sabha in Delhi on the liberalisation of trade was thus fortuitous. It provided a political alternative to Congress, at a time when the industrial entrepreneurs in Mandi became aware of a need to establish connections with external political organisations. Probably more than anything else, this revolutionised politics in Mandi. The MLA (Member of the Legislative Assembly) for representation of Mandi constituency at State level in Jaipur is reserved for the scheduled castes and tribes and therefore merchants are excluded from contesting these elections. However, they may contest municipal elections by political party and these have, in consequence, an added importance. As I shall show below, it became necessary for certain families to maintain a seat on the board, and contests became fierce throughout the next decade.

Since 1946 there have been eight elections in Mandi. Out of eight possible terms of office, two men have been elected

six times, five four times, four three times, eight twice and 27 once. We can say that seven men are thus more likely than not to have been elected at any given time. They are professional politicians, in that municipal affairs are the principal focus of their attentions. All are businessmen and consist of four Mahajans, a Regur, a Muslim and a Jat. The number of Mahajans is immediately striking. Table 6.2 summarises the changing caste composition of the Municipal Board since 1946. Although 64 castes were recorded as living in the Notified Area, only eight have been represented on the board. Of these, just three castes: Regur, Sindhi and Mahajan have held more than one seat during any term of office. Except for the Board of 1965-70, Mahajans have constantly held twice as many seats as their nearest rivals and taken half the seats available. Even during this period, Mahajans still were the majority category by caste, and took the offices of Chairman and Vice-Chairman. In fact, 1974 was the first time that the Chairman had not been Mahajan since 1951, when the position was held by a Brahman.

TABLE 6.2

CASTE COMPOSITION OF THE MUNICIPAL BOARD  
THROUGH TIME

YEAR	Maha- jan	Regur	Sindhi	Muslim	Jat	Brahman	Mali	Kyasth	Total
1946	4	-	-	1	1	1	-	1	8
1951	4	-	-	1	1	1	-	1	8
1954	4	1	1	1	1	-	-	-	8
1957	5	-	1	1	1	1	1	1	10*
1963	5	2	1	1	1	1	1	-	12*
1965	5	3	-	1	1	-	1	-	11*
1970	6	2	2	1	1	-	-	-	12**
1974	7	3	3	1	-	1	-	-	15**

\* includes one co-opted lady

\*\* includes two co-opted ladies

1 resigned from the Board



This substantiates the assertion that, for Mahajans, a seat on the Municipal Board has become increasingly important. Competition for available seats has kept pace with their increase in number. However, the numerical spread of castes represented has been constant, remaining at five except for 1957-65. The increased proportion of Mahajan, Sindhi and Regur seats has been at the expense of the Brahman, Mali and Kyasth seats. The Muslim and Jat members, on the other hand have not fluctuated in number. In effect, political power has become concentrated in the hands of Mahajans. This is especially noticeable for the period 1970-74.

Turning now to family dominance, nine families have been represented on the board for more than 50% of the time. One family has had an adult male elected seven times, two families six times, two five times and four four times. Of a total of 79 elected seats since 1946, these nine families have taken 45, or including co-opted ladies, 49 out of 86. This is well over half. One Mahajan family even managed to manoeuvre two adult males onto the board for one three year period. Five of the nine families are Mahajans, the others being a Jat family, a Muslim and two Regurs. A total of 34 families have held seats. Mahajans form nine of the 19 families who have held a seat more than once, but only five of the 15 families who have taken just one seat. In other words, Mahajan families taken as a whole are more successful than non-Mahajans, which reflects their greater organisational capacities. Municipal politics is therefore very much a family affair. There are 'political families' just as there are 'business families'. Importantly, seven of the nine multi-represented families are industrialists. What is the significance of this correlation?

In a state-directed economy, such as India has, there is a constant need for commodity licenses and quotas, exemption

certificates and documentation of various sorts. The more complicated technologically an enterprise becomes, the more paper work is involved. This requires repeated trips to the state capital, Jaipur, or even to Delhi. One commission agent complained that he had to visit Jaipur more than 40 times before he obtained a license to trade in wheat. Much is left to the discretion of officials and even when permission is semi-automatic, it may require the coordination of several government departments. Two major consequences arise: people either circumvent the system by means of bakshish, that is, they give bribes; or they manipulate the system through 'friends of friends'.

In this way, connections with political figures in high places become themselves a valuable commodity. Involvement in politics is a sort of by-product of entrepreneurial activity in South Asia (Erdman, 1975). It is not merely coincidental that all the big entrepreneurs in Mandi have served on the Municipal Board at some time, since this provides access to contacts with influence in the external political milieu. Influence, however, is not traded for nothing. It is exchanged for reciprocal favours like guaranteed votes for seats in the State Legislative Assembly or political support in a more general way. Having involved time and effort in canvassing for others, deciding to stand for municipal elections requires little effort on the part of an entrepreneur. He thus gains easier access to influence-peddlers.

Disagreeable and dangerous though most Mahajans find these political connections, they become an offer which entrepreneurs cannot refuse. Almost against their will, it seems, certain Mahajans are forced into public office, thus challenging customary Mahajani ideas about prestige and status. Access to public office can only be achieved by wealthy individuals, but not all wealthy individuals wish

to become public figures. Indeed most avoid the public status which their wealth could confer in this way, because of a horror of making themselves conspicuous and attracting too much attention. "To make a show of one's wealth is to invite others to take it away", said Ramesh Lal. However, preference for private obscurity does not mean that Mahajans are reluctant to use the services of those in the public eye or to give financial support to political parties, providing that it is done covertly.

There are, of course, other benefits. Control over property is, as we have seen, crucially important and a seat on the Municipal Board provides influence with the patwari and tehsildar, who adjudicate in local property disputes. Neither is subordinate to the board, but they would be foolish not to comply with Members' wishes. Because of the overlapping of the functions of patwari and tehsildar it is an easy matter to instigate litigation and counter-litigation of the kind which is most uncomfortable for civil servants. There are no accurate records of town property ownership available for inspection in the Municipal Office, as is mandatory in Notified Areas, therefore house tax is not collected in a straightforward manner. The scope for rewarding followers and harassing opponents is thus considerable. Again, the construction or destruction of property must be approved by the Municipal Board. Ultimately most projects are approved but the costs in terms of lost time, tied capital and wasted energy are clearly visible in the many half-completed houses and shops in the main bazaars.

The declaration of the State of Emergency in July 1975 provided an opportunity for settling past scores. Under the urban cleanliness rubric of the ten point programme, 15 tea-stalls, 13 paan shops, two wine shops, two confectioners' shops and a cycle shop were demolished in a single morning because of alleged encroachment on the roads. The order was

brought by a leading Mahajan politician (who was also a landlord) and the operation was supervised personally by the District Collector. Demolition was carried out by the State Police from Tonk. During the next week 27 further shops and stalls were demolished near the Bus Stand. The Municipal Board, in a public statement, said there were no plans to re-house the evicted businesses because "someone has bought the land by auction and he will be putting up new shops and houses and they can have those". It transpired that the landlord had made a closed bid for the 'auctioned' land and the owners of the demolished shops and stalls were business rivals.

Not surprisingly, it is customary to accuse politicians of corrupt practices, such as awarding contracts for the construction of public works to their cronies and using unfair influence in property disputes. Another frequent criticism is that Members have diverted municipal funds to further their business interests. This has important implications for their business reputations. In the course of processing brokerage transactions Mahajans are inevitably holding money or goods on trust for others. The merest hint that municipal money is being misappropriated suggests that Mahajan councillors may not be as particular as they should about accounting procedures generally.

In the beginning, the Municipal Board was dominated by Mahajans by virtue of their superordinate position in town affairs generally. The type of person willing to assume public office at that time was a semi-retired malik, whose reward was community recognition of his leadership. In other words, being elected was an extension of a customary role. The non-Mahajan board members were also derived from sections of local society who had traditionally provided leadership, though in different ways, such as Jats, Kyasths and certain Muslims. Whilst for Mahajans they could never equal the

seths in authority, nonetheless their rights to leadership, based on such criteria as landownership, or as representatives of landlords (for example, jagirdars and so on) was not challenged. This is a typical pattern of dominance in North India (see Mayer, 1960).

As changes in electoral procedure filtered through, Mahajans perception of modern politics became simultaneously clarified and more rigid. This can be attributed to the entry of castes into politics whose customary specialist occupations did not include leadership. Association with them was thought to be dishonourable, degrading and dangerous. It is, therefore, scarcely remarkable that the seths began to absent themselves from town politics, though as late as 1957 a seth, Murari Lal, was prepared to accept the office of Chairman of the Municipal Board. Similarly the title of seth fell into abeyance concerning those Mahajans who continued to contest elections, despite the fact that their compliance with other criteria for 'sethhood' might have entitled them to this mode of address. The new men, are locally called uncha (risen up) in order to signify their parvenu status. Thus the tentative steps towards involvement in modern political processes taken in the early days of independence were retracted and evaluation of politics reverted to its former negative stance. In certain instances, of course, even these steps had not been taken and suspicion merely hardened into a certainty that politics and politicians should be avoided.

This trend coincided with the emergence of the businessman politician, for whom involvement in politics became a vital adjunct to trade and commerce. Just as town politics in the formal sense became more, not less, negatively valued, so this opprobrium spilled over into distrust of the industrialists as politicians, and also an innovators and entrepreneurs. However, though the climate of opinion in Mandi might have turned against public political activity, the

history of municipal politics has shown a persistent and growing interest by Mahajans, and particularly amongst the industrialist families, in the spoils of victory. This is especially discernible after the middle 1960's.

Contesting municipal elections has the principal benefit of establishing external linkages outside Mandi with political figures on a variety of levels: local, regional and even national party organisers, political leaders and bureaucrats. The success of the industrialists as entrepreneurs and politicians depends upon their skill in manipulating the different levels of political organisation within party politics in no small measure. Some have become powerful through their skill in doing this. Consequently the articulation of local politics with those of a wider world has become closer progressively up to the present day. Higher level officials are called upon to settle local disputes and to preside over festivities. So for example, the annual gauvashtama and annual general meeting of the gaushalla committee in 1974 was declared open by a well-known member of parliament from Delhi, supported by several MLA's from Jaipur.

This poses a challenge to the authority of the seths. By the mid-seventies two patterns of leadership were emerging and showed every sign of intensifying. The economic and political power of the seths is dependent upon internal sanctions, founded in their nodal positions as landlords and bankers. That of the entrepreneurs is also routed in financial stability but is increasingly dependent upon external political connections. The uneasy situation which these parallel systems of leadership have created will be explored in the subsequent chapter, particularly as it affects the strategy of marriage choices.

## SUMMARY

In this chapter I have described the organisation of trade and commerce in Mandi, so that the relationship between ideological factors or 'cultural constructs' and actual behaviour might be estimated. It has been shown that cultural form on the ideological plane and pragmatic considerations are close, but that cultural patterns or models are not totally attainable in reality. Part of the purpose of the chapter has also been to demonstrate how the increasing complexity of social relations within the urban mercantile community relates to involvement in the formal political arena. Historically this has not been so, and industrial entrepreneurs (and others) must decide whether the opportunity cost in terms of reputation outweighs the advantages outlined above. For a sizeable proportion of the Mahajan population, politics is akin to speculative trading and therefore classified as nilam. Hence the Mahajan politicians have been unable to provide leadership in urban affairs. In contra-distinction to the seths, they are not the true leaders of the community. In the following chapter the need of the industrial entrepreneurs for wider linkages is related to changes in marriage patterns. I also point out the alternative relationalization of this by non-entrepreneurs, that the former are unmarriageable, because of their involvement in politics.

## CHAPTER SEVEN

### THE MERCHANT FAMILY

#### INTRODUCTION

In chapter five, it was concluded that business ideology was predominantly concerned with relationships, specifically the need for the family firm to invest in durable social and economic connections with other Mahajan families. The present chapter continues to explore the implications of the family as a basic unit in the organisation of the firm. Underlying much research into the family as a social institution has been the hypothesis that wherever a modern, capitalist economy is established the nuclear family will evolve, because it is functionally most appropriate. I shall attempt to show that, far from disintegrating under the pressures of modernising a traditional economy, the Mahajan family possesses some distinct advantages as an adaptive mechanism. Genealogical expansion or decline is the prime factor in the development of family businesses. This is interconnected with the efficacy of the family as an economic concern, and its role in structuring the hierarchy of management, training personnel, inculcating values and implementing decisions. I conclude that a change taking place is in marriage patterns, revealing the needs of entrepreneurial families for increasingly wider linkages. Alternative and competing rationalisations of marriage choices are emerging, which mirror the rethinking of prestige and success discussed in the preceding chapter.

#### THE HOUSE AND HOUSEHOLD

As indicated earlier, the joint family is the preferred form, Mayer's definition (1960, p. 181) of the joint family as a



household wherein there are two or more adult males (males over 18 years old) being used as a basis for classification. 197 families can be classified as 'joint' using this definition whilst merely 48 are non-joint families. The joint family would appear to be characteristic of the wealthier strata of South Asian society (Mandelbaum, 1970, p. 247) and an urban phenomenon (Dube, 1965, p. 197). Singer describes the joint family as found amongst merchants in Madras as "a complex, multi-dimensional thing including common residence and meals, common worship, common property, and the maintenance of kin ties even among separated households which no longer share any property" (Singer, 1968, p. 425).

From this perspective, the merchant family is usually a domestic group or household but this is not always the case and the term covers a variety of residential forms. For example, the household as a domestic group in Mandi may be the size and structure of a minor African patrilineage. The Todwal family, centred around Durga Lal as a patronymic head and malik, consists of 29 individuals living together in one household. Like other Mahajan families it is patrilineal in descent, patri/viri-local in residence, patriarchal in authority and coparcenary amongst adult males related lineally over several generations. Households approximating this magnitude are rare, however, and this is, in fact the largest. Diagram 7.1 depicts the most complex joint families of each of the four Mahajan jatis resident in the Mahajan mohallas.

Specific forms of non-joint families vary from the nuclear to the extended, by which I mean that certain families are in residential terms morphologically heterogenous, nonetheless still reckoning themselves to be parivar (joint family). In terms of commensality and cooperation they continue to be



internally integrated, even if co-habitation is not desirable or feasible.<sup>1</sup> For example, the Tongya parivar centred around Gujar Mal as patronymic head, resides in three houses. Gujar Mal and his wife live with Tara Chand, their eldest son, his wife and seven children in a house situated on the Chaturbhuja Bazaar. In another house across the square live Rama Tongya and Mahendra Singh, his younger brothers. Rama is married but has no children whereas Mahendra also has seven. A few houses away, Gujar Mal's youngest son, Karmal lives with Raghuendra, the latter's wife, Vina, and Gujar Mal's widowed mother. All eat daily at Gujar Mal's house. The expenditure on food, like other household expenses, is taken from the combined gross profit of the Tongya business concerns. These consist of a cloth shop, run by Mahendra, a wholesale grocer's shop, run by Rama, and a grain brokerage business, run by Tara Chand. Gujar Mal and Raghuendra, assisted by Karmal, manage the family oil mill. In this system of family organised businesses household and business expenses are not distinguished, neither are business profits from family savings. Business costs are met by the joint savings of the family, not taken out as an expense of the firm, and the financing of new enterprises is achieved by the diversion of capital from other 'family' members. The Navendra Oil Mill was started with the help of financial assistance from Gujar Mal's father's brothers, Ghansi Lal and Jivan Lal, now deceased, both of whom had previously separated their residence and business interests from him.

Here, whether a particular group of persons constitutes a joint family seems to depend on "whether the individuals within it are disposed to discharge towards one another the set of rights and duties specified in their specific code, scriptures and customary usages" as Singer (1968, p. 427) expresses it. In the preceding chapter I have given examples

of business families which have set up subsidiary agencies in Jaipur that are run as an integral part of the family concerns. There are five of these, at present. Though sons or brothers reside separately the joint family ideal is still strictly adhered to and indeed is given additional moral authority because of the superior volume of business transacted. Such families operate as a single social entity despite geographical dispersal. Where a brother or son has been delegated to move into a new territory or field, his success or failure is not just his or his nuclear family's alone but shared by the whole lineage. Hence it is wrong to see the X dispersal of patrikin as uncontrovertibly implying the disintegration of the joint family. It is increasingly being arranged as a business expedient.

The presence or absence of joint residence, joint property and a particular set of kin within the domestic group may or may not be relevant—from the insider's perspective at least. But where I differ from Singer is in stressing that commensal relations are crucial. We should expect this, given the social and ritual attention devoted to food in South Asian society. Thus the family as the basic unit of Mahajan social organisation is the "hearth group" (Mayer, 1960, p. 177) that is to say, it consists of those people who eat food cooked in a common kitchen, which has implications of common or shared budgeting. As he points out, the hearth group may share a dwelling with other, related hearth groups. In general, however, the establishment of a separate cooking place within the larger household would seem to be the first step towards separate budgeting and the eventual establishment of a separate dwelling place. Within the household, sharing is an assertive norm. Refusal to share is, therefore, an indication of actual or incipient severed relations, which may persist after partition for years. In the example noted earlier, whereby the four sons of Deva Lal Todwal decided

to live apart, commensal relations mirrored the foundation of separate households. Each new household formed an exclusive gastronomic unit and refused to accept food from the others. Years later, when the youngest son of Durga Lal was married, all the descendants of the four brothers were invited as a social gesture towards reconciliation. They attended, but Giri Raj's household refused to accept food. Though this was not entirely a surprise, Durga Lal still felt shocked that it should be demonstrated so publicly to the community that bad feeling had not been assuaged.

In this example, too, we see not nuclear families but smaller joint families evolving out of the former joint household (see also Karve, 1953, p. 12) whereas Madan envisages joint families alternating with nuclear family units in an evolutionary cycle of domestic groups (Madan, 1965). In Mandi, the critical feature appears to be size, and linked to this the difficulty of co-ordinating increasingly disparate interests, especially the problem of catering for large numbers with basic technology. Just two meals per day for each of the 29 Todwals in Durga Lal's house means a total in excess of 20,000 meals per year to be cooked by a maximum of five women. Since meals are consumed solitarily, this adds to logistical difficulties and hence it is not surprising that women are prime agitators for separate residence.

Whilst men are generally able to adhere to the explicit ideology of the joint family economy, that what is good for one is good for all and vice versa, women are known to resist it. Such resistance is frequently held to be the cause of discord within the joint household and its ultimate dissolution in Mandi. The fact that they are not successful highlights the efficacy of the joint family as a powerful normative symbol, invoking a whole complex of rights, duties and

obligations, backed up by an appeal to the emotions. Quarrels can and do occur within the joint family and relationships become moribund between households as social interaction, or rather the need for social interaction diminishes. Brothers and cousins, sisters-in-law, and parents and children at times may hate each other. But equally the chances of reconciliation between kin resident in a single household are greater than between persons who have quarrelled and are not linked by kinship (and/or common residence) and do not have an interest in the viability of joint livelihood.

However, in view of the foregoing, the question arises of whether there is such a thing as the typical Mahajan household? With exceptions noted earlier, it can safely be asserted that the ideal form would consist of a father and three adult sons, with their wives and children, altogether about 15-20 people living in a single household. It would have a joint capital of about three lakhs (approximately £17,000) and an annual income of about Rs.40,000-Rs.50,000, from investments in property and brokerage, plus some financial dealings. It is not a family which has close involvement with external political processes, nor does it belong to a lineage with historic connections with the courts and rajas of the former princely states. Neither is it involved in the entrepreneurial activities associated with the development of modern industry in the town. These characteristics are general enough to apply to a wide range of Mahajan families in Mandi, and whilst not based on a statistical sample, accord with what Mahajan informants asserted was the modal entity.

Because of their exceptional size alone Mahajans' houses differ greatly from other dwellings in the Notified Area. They are built of stone plastered over with stucco and are often of several storeys. The financial disparity of individual

families within the business community is reflected in the size and style of their houses. The dwellings of the very rich are, as mentioned above, called haveli: not quite a palace but rather more than a mere house. These are three to four storeys high, with wide spacious apartments and separate accommodation for guests. These houses are constructed in such a way that nothing inside can be seen from the street. They are particularly suited for the maintenance of female seclusion since sanitary facilities are available inside the house and the women are saved from going to the fields to answer the calls of nature. Flush lavatories are limited in number and the latrines are cleaned daily by sweepers. Some large houses have wells in their interior courtyards so that the women will not have to go to communal wells if the piped system fails. By contrast, the houses of poorer Mahajan families are single storeyed, containing two or three rooms in addition to the separate kitchen and bathroom. The typical house would have two or three storeys and a roof terrace large enough to sleep the entire household during the summer months. This would be partly roofed over with corrugated iron in case of sudden downpours.

Except for the very smallest, houses are constructed round a central courtyard, with staircases to the upper floors encased in the outer walls. The windows have no glass and are simple, barred frames with two sets of wooden shutters, which give a fortress-like atmosphere to the Mahajan mohalla. Tonk District is famous for its elaborately carved wooden gateways and doors and Mandi has some of the best exhibits of these. The interior of the house contrasts with the plain exterior. After the rains and before Diwali the richer people have their homes whitewashed or colour washed with lime in the auspicious colours of pink and green. On the walls are painted horsemen, elephants, flowers and so on. Poorer Mahajans are content to replaster the floor of the courtyard

with a mixture of red earth and cowdung. The women then paint white geometrical figures called mandalia, which represent the cosmos and are thought to be suspicious. This must be done at the appropriate time which is determined astrologically. Moving into a new house and commencing house construction must also start at an appointed time. A small ceremony is performed in which salt and a jar of Ganges water along with some sacred verses are placed under the threshold. Friends and relatives are invited to hear a purohit or pandit read from the puranas after which sweetened milk and sweetmeats are distributed to the guests and money given to callers and beggars.

Like the shop, the house is imbued with ritual significance and its layout reveals a pre-occupation with the categorisation of space. The interior of the house is equated with peace, safety and culture as opposed to the perceived brutishness of the streets outside. In common with other social groups, the house also stands for the female world and its exterior with the male world. The house itself is divided into upper and lower portions, the upper being away from the ground and therefore removed from pollution, whereas the lower are near the ground and hence liable to contagion.<sup>3</sup> On the ground floor, nearest the street, are the store rooms, bathroom and latrine. Hence the sweeper and low caste labourers can perform their tasks without being in contact with the rest of the house. Household members and visitors wash here to avoid bringing external pollution into the house. If the haveli is large enough there could be several bathrooms, one reserved for visitors. Mahajans believe that anyone from outside the household is potentially polluting, even individuals from their own caste, though intimate friends and agnatic kin sometimes disregard this.



The kitchen is at the top of the house and so furthest away from extraneous pollution. If possible it is situated in the north west corner of the roof terrace (like the puja room in the shops) and in harmony with geomantic forces. These are impersonal cosmic forces in contrast to other supernatural powers. Fortunate forces are consciously sought out for the situation of the hearth and unfortunate forces avoided; these are divined with the help of an astrologer. Houses which are overlooked locate their hearths in rooms leading off the roof terrace because of fear of the evil eye, which could spoil the food causing sickness to anyone who eats it. Great care is taken to ensure the ritual purity of the kitchen by regular pujas. It is purified daily by throwing buckets of water at the walls and on the floor and the sacred symbols are renewed with vermilion paste. Women take turns to cook, squatting on the floor and using a wood or cowpot- burning chula. This is a horse-shoe shape of sun-baked mud and cow dung. Menstruating women must not cook, touch the dishes used by others or take a bath and are confined to a small room set aside for the purpose since their impurity is dangerous.

During the day the women are always to be found at the top of the house, known as the zenana (women's place). Adult males should avoid it so that women are saved the discomfort of veiling or withdrawing. At mealtimes men announce their arrival by shouting. Each man bathes and changes his clothes before eating. The food is served by his wife, unless she is ritually impure due to menstruation, recent delivery of a child or death of a consanguineal relative. It is brought downstairs in little brass dishes upon a brass tray, carefully covered. Men and women never eat together, unless they are brother and sister, which underlines the wife's role as an outsider and semi-visitor.

Just as the men must avoid the women's place during daytime so the women must avoid the mandana (men's place), and watch each other for unwarranted trips downstairs. Young women do not talk to their husbands alone during the day or visit the room where they sleep. For his part a young husband should never call out to his wife by name since this flaunts the sexual side to their relationship. The force of the prohibition is stressed by teasing the newly arrived bride. Sisters-in-law find endless errands for her to the storeroom, in the hope that she may accidentally meet her husband, whereupon they accuse her of engineering the encounter. Her embarrassment reinforces their own inhibitions and re-emphasises the necessity for strictly regulated behaviour in large households.

The separation of men's lives from women's means that they do not share acquaintances. Male visitors go to sit with the men in the mandana and female visitors with the women in the zenana. Bigger houses have two guest rooms on different storeys. These are decorated with Vaishnava or Jain themes in the form of pictures or cheap calendars and in the men's guest room photographs of male ancestors and framed examination certificates are displayed. These are garlanded with tinsel, coloured paper or plastic flowers. The more religiously inclined burn little cones of incense or joss sticks before them. 'Sofa sets' i.e. western-style suites of furniture are found in the houses of a few rich families. Otherwise, apart from a floor covering and bolsters against the walls, furniture is scanty. Though the town was electrified in 1954, many houses still depend on hurricane lanterns or small painted oil-lamps locally called chimnia (chimneys), which are displayed in the guest room. Except for visiting business acquaintances from distant places who require board and lodging, however, much of men's intervisiting takes place in the shops. People of different jatis do not attend each other's private func-

tions, except for weddings, or visit each other's homes unless for a specific purpose. Intervisiting does occur amongst the super-rich and sometimes between men who participate in the wider economy, but hospitality in general is restricted.

In the concluding section of this chapter I shall return again to the question of intervisiting. What I am trying to indicate here is that the house is rather more than just the place where the Mahajan family lives. It demonstrates again the concern with the social and ritual use of space noted earlier and its boundaries or spatial dimensions correspond to the essential unit of trust. Hence it may be concluded that although the household and the family are analytically distinct, the household is to all intents and purposes the basic unit of Mahajan social and economic organisation and in most cases is coterminous with the 'family', though with exceptions noted earlier. The interior of the house is, if not pure, then relatively unpolluted as compared with the exterior world. Here, too, is a repetition of the concern with temporal continuity, the house representing the achievements of the inhabitants up to date. A family can be impoverished and live in a haveli, making deductions about its wealth and status hazardous in certain instances, but generally speaking, property is the means by which relative wealth and status in the business community are judged locally. The building of a new house is the occasion for community congratulations. It is also an indication of commitment to the town since property owners are unlikely to abscond without paying their debts. Without owning at least some property, as suggested above, it is unlikely that a malik will be recognised as a seth. Finally, the household represents a distinct socio-economic unit, with a division of labour, a set of economic objectives and internal social and exchange relations which in Sahlins' words "make the 'economic' modality of the

intimate" (1974, p. 77). Any economic decision is perforce a domestic decision, taken with regard to the family's well-being and livelihood. It is the relationship between business and household which must now be discussed.

#### THE FAMILY IN BUSINESS

The following section is organised into two parts. In the first, I describe in general terms the relationship between social structure and economic behaviour amongst Mahajan families. In the second, I use the example of a single patri-lineage to show how merchants use kinship for their specific economic needs and in turn are constrained by the exigencies of kinship in the organisation of their business activities.

Hazlehurst (1966), Fox (1969) and Mines (1972) have all concluded that family businesses are the most characteristic type of South Asian commercial enterprise. Because of the secrecy surrounding business organisation it is difficult to assess how much business in Mandi is supra-familial but it must be insignificant. Although some firms are registered as partnerships, the partners in the majority of cases belong to the same household; Fox (1969, p. 171) calls these concerns "pseudo-partnerships". Similar to pseudo-partnerships are "pseudo-firms", legally separated enterprises within the same family-management structure, and sometimes the two are found together. For example, the Choraria khandan organises its cloth business around three firms and six shops, the partners of each of which are agnatic kin residing in a common household. More detailed examples will be given below. Mostly, however, things are less complicated and household and business are not regarded as separate economic units.

The reason for this type of family ownership was implicit in the discussion of employer-employee relations described in

chapter three, that noone outside the household can be expected to suppress self-interest or be trusted. "Where there is money there is bound to be trouble. Only relatives can be trusted, and even then only people of the house and sometimes not them either", said Kesar Lal. Joint shares in the family property predispose individual members of the household to balance short-term, personal interests and work together for the good of the whole. "Mahajan families are by their nature peace-loving and love and affection amongst relatives generally make businesses go better. If there is a problem they will sit down together and easily sort things out", said Phool Chand. Partnerships with caste mates outside the household tend to be formed with close agnates or affines. These are short term ventures, formed out of financial necessity. Mahajans feel that such enterprises are doomed to failure and that the partners commit themselves to much strife. There are no out-of-caste partnerships. Berna (1960, p. 48) asserts that partnerships are more common in small industries than in business. Thus a financier without technical knowledge may take a technician as a partner, but even in industry partners do not trust each other.

Table 7.1 shows that the majority of business families operate a single business though 74 (29.6%) operate more than one. Joint families are not only more preponderant than non-joint families overall in business but also predominant in multi-businesses. Out of 171 single businesses sampled, no less than 136 were run by, or 'employed' in a managerial capacity, two or more agnatically related males who lived with their wives and children in a common household. Roughly the same proportion of joint and non-joint families own more than one business. The figure to note here is the 13 non-joint households who assert that the family runs more than one concern but is no longer co-residential. These are the

extended families mentioned above, the remnants of legally partitioned Mahajan households, continuing to run business concerns as a common enterprise yet residing separately for various reasons.

TABLE 7.1

JOINT FAMILIES AND MULTI-BUSINESSES  
(MORE THAN ONE BUSINESS?)

	Yes	No	Total
Joint Families	61 (31%)	136 (69%)	197
Non-Joint Families	13 (27%)	35 (73%)	48
	74	171	245

Mahajan informants habitually minimised the extent of their own business concerns in the bazaars and were suspicious of detailed questions (whilst manifesting a marked interest in and knowledge of the affairs of others). Therefore the most interesting feature of Table 7.2 is which families were prepared to declare their business interests. Three Sindhi families would thus apparently account for approximately 20% of all multi-businesses recorded. The first gave the names of all five firms without waiting to be asked. By contrast, in the case of one Khandelwal family which admitted to two businesses, subsequent questioning revealed that they had no less than five other concerns. To say that half the multi-businesses are run by Mahajans is, therefore, an underestimation. Nonetheless, when compared with the next highest figure by caste it does show Mahajans' controlling interest in the most complex businesses. This is made possible by the comparatively greater size of their

families.

TABLE 7.2

MULTI-BUSINESS FAMILIES BY CASTE

Number of concerns	No. of families	Total Businesses	Caste
5	1	5	Sindhi
4	2	8	Sindhi (1)
			Mahajan (1)
3	4	12	Mahajan (4)
2	14	28	Mahajan (6)
			Brahman (4)
			Muslim (3)
			Sindhi (1)
TOTAL	21	53	

The complexity of familial business organisation is encouraged by two further factors: a) the significantly higher tax exemptions that partnerships receive as compared with single, family businesses (Fox, 1969, p. 169) and b) the traditional patterns of business expansion (Mines, 1972, p. 72). Firstly, legally organising and registering its concerns as partnerships, the khandan avoids paying income tax, which is levied on any individual earning more than Rs.3,000 per annum or any joint family exceeding Rs.6,000 per annum. As the total income from business profits is thus divided into a number of separate shares, each of these consequently falls into a lower income tax bracket. Such a measure saves the household from fairly high taxation, about Rs.78,000 per lakh.<sup>4</sup> "The reason why our businesses are run in such a complicated way is entirely due to taxes", said

Mahavir Prasad.

Secondly, family businesses expand by buying property and opening new shops, which may, in fact, be mortgaged immediately to provide further capital for more shops. In addition, merchants diversify their businesses to decrease risk, which is achieved by increasing the number of outlets for goods and services and by spreading the risk factor over many lines of business. The multi-businesses of the Tongyas were noted above. Similarly, Giri Raj Todwal is the malik of three businesses: a commission agency, a bangle shop, and an electrical goods shop; and he is thinking of opening a "high class" vegetarian restaurant near the Bus Stand "since Mandi doesn't have one, only dhabbas and kokas". Kapoor Chand is the malik of Vinod Oil Mill, the sole petrol pump of the bazaars and a brokerage business, but his son runs a plastic bag factory in Jaipur which is also financed and managed as part of the family businesses. Kesar Lal, malik of Kesar Lal-Phool Chand, on the other hand, owns six shops. One is a cloth shop rented by Gambhir Mal-Rattan Lal, and the profit from this goes to the New Jain Temple Committee. Two others are cloth shops, each run by two of his sons. The fourth is yet another cloth shop, run by Kesar Lal and his youngest son. The fifth is rented out to Rameshwar Lal, a grain broker, and the last houses the telephone exchange. Many similar examples could be cited.

Since only relatives can be trusted, the joint family is ideal for meeting the management needs inherent in this type of business expansion. Conversely, Mahajan business ideology works off the principle that business expansion is not simply for the sake of increased trade but is a means of enabling all the brothers to have a share in the management of some aspect of the joint family ventures. The eldest agnate acts as general manager for all the concerns and



younger agnates act as managers for individual enterprises (Mines, 1972, p. 73). The organisational hierarchy of the firm thus corresponds to the interpersonal hierarchy within the household or patronymic group. Each household has a recognised pattern of authority, major decisions being taken by the head of the household who is usually the eldest male of the minimal patrilineage. A malik who is reasonably successful in business continues as head of the family and the family firm until he dies or becomes incapacitated, whereupon he is usually—but not always—succeeded by the next senior male agnate. Thus Bajrang Lal is the malik of Narayan Lal-Bajrang Lal in place of his elder brother, who is commonly recognised as being less astute. On the other hand, Narayan Lal's willingness to take a subordinate role in family affairs has freed Bajrang Lal from the shops to pursue the political career which has brought other benefits to the family.

Decisions are taken in a rational way and the needs of individual family members are balanced against the needs of the whole. Thus if any person needs extra help in one year (for a wedding, or buying a house etc.) he will be reminded not to expect further help in the next year. Even in the most authoritarian family businesses, subordinates have a certain amount of influence, simply by their ability to bring things to the attention of the malik or to hide things from him. The idea that experience should determine influence in family decision-making, experience being perceived as dependent upon age, allocates the amount of 'say' available to each brother or son. In this way potentially disruptive disagreements can be avoided or minimised, without stifling contrary opinions. In general, then the elder person in a family business is the senior partner, but little attempt is made to separate the roles of 'kinship' and 'business'. Relationships within the family are to all intents and purposes, relationships within the firm.

Coren, (1967, p. 321) assuming that differences between business and family organisation in degree of 'traditionalness' would be at the root of any conflict between the two organisations, found that in one Marwari family firm of Gujerat which he studied: "Though both the Birla brothers believed that family relationships should be kept separate from business, the values of each were similar enough and overlapped sufficiently that there was no interôle (sic) conflict in the company". Similarly in Mandi, traditional businessmen do not, cannot, or will not separate their relationship towards a relative from their professional relationship towards him as a business colleague.

Mahajan women are excluded from business decision-making and have little role in family budgeting. It is thought shameful for women to work in the shops (though a minority do) and they are not believed to have a head for business. However, the secret commercial activities of several Mahajan women provides evidence for an opposite point of view. Some women accept jewellery on pawn, lending money at one third of its estimated value and taking an interest of Rs.1.15 per month (15% per annum). If repayments are defaulted for two consecutive months, the jewellery is seized and sold. The money accumulated in this way is sometimes lent to retailers, usually cloth merchants, whose trade is very seasonal, at 2% or even 3% per month. Others sell off dry goods from their family store (purchased in bulk once per year) in small quantities or commodities unavailable except on ration. All business is transacted without overt knowledge of their husbands and in conditions of the utmost secrecy. The fact that Mahajan women keep purdha adds further to the chicanery of these transactions and, although many can read and write, no records are kept. Earnings are concealed somewhere in the house, even the banks being mistrusted, and at a convenient time are transformed into gold or silver

jewellery. The reason women give for this clandestine trading is usually along the lines of "It gives me something to do; it gives me an interest in life". All of which substantiates Fox's assertion that "Other castes do business because they have to but Baniyas do business because they like it" (Fox, 1969, p. 131).

"Shopkeepers breed shopkeepers" comments Mines (1972, p. 83) and to this end fathers take a special interest in the upbringing ~~ing their sons, who~~ of their sons, who will have been regular visitors in the shop since babyhood. As early as three or four years old small children have learned to sit quietly for hours. They do not fidget or fuss and work steadily at the small tasks allotted to them, such as sorting food grains, sequins and beads or coins. When children attain five or six years, their fathers start to teach the Marwari script and figures and simple accounts. Children of both sexes are also sent to the temple schools to learn to read and write, do arithmetic and receive religious instruction.<sup>5</sup> Teaching the children is regarded as a meritorious occupation for older men who are in semi-retirement. By about eight or nine years the boys are skilled enough to be useful, and familiar with the principals of business practice. Small boys, aged nine or ten at the most, are capable of taking charge of a jewellery businesses for the afternoon whilst their father is away, and negotiating sales of several hundred rupees. This coincides roughly with the time they are invested with the sacred thread. Thereafter they should try to behave like adults, neither laughing, crying, nor made angry easily.

Hazlehurst (1963, p. 60) remarks that he was once asked to evaluate the abilities of four sons of a Punjabi merchant. His choice was viewed as incorrect, and the merchant explained that the most able was the one who had learned the value of money. It is worth quoting his reasons in full: "If all my

sons were given Rs.5 each, to spend as they saw fit, my nine year old son would come back from the bazaar with more goods, of better quality, than any other of my sons. He knows the tricks of every shopkeeper, and every shop in the bazaar. It is impossible to deceive him". If Mahajan children envy the little luxuries enjoyed by children of other castes they are told that the consequences of free spending are debt and ruin. Piyush Lal, a young man in his early twenties, recounted how his mother used to send him secretly to buy soft drinks and sweets. He blamed this habit of self-indulgence for his lack of self-confidence and consistent failure in business. He explained that boys take advantage of the transit trade at the Bus Stand to earn money by fetching cigarettes and soft drinks for passengers. Instead of saving the tips, which might amount to three or four rupees, the equivalent of a day's wages for an adult casual labourer, he spent the money on sweets "and so never learned to be serious".<sup>6</sup>

These basic patterns, lack of trust, self-restraint in all things, and thrift make Mahajan children appear very old for their years. They quickly master a superficial show of cordiality and politeness, which masks an underlying indifference and unsociability. From a very early age they are brought up to believe that success depends on hard work and frugal habits. They are taught to be purposive in their actions and flexible in personality. Boys learn to copy their fathers in listening patiently to clients and customers, and to avoid being provoked into anger. During altercations they merely place their hands together, incline their heads slightly, and withdraw, either mentally or bodily, pursuing their own advantage later when tempers are cooled.

In the past, boys were educated principally through experience of doing business and taking responsibility. Today,

Mahajan boys are in the majority at the higher secondary school, though they continue to sit in the shop after classes. Two girls have attended the nearby Banasthalli Vidhyapith, an independent residential institution which organises progressive educational programmes for girls through to college level. This is, however, expensive, and controversial in a community practising seclusion of women so is the preserve of the wealthiest and most modernised families. Knowledge is valued, particularly scriptural knowledge, although education is not visualised as a means to economic advancement but as a source of prestige. Thus Murlidhar Somani, a seth who has published a pamphlet on palmistry, is accorded a higher status on account of his learning than the four young men who have received university degrees and the four presently studying in college. Their courses of study vary from engineering, through commerce and law to English literature, the later being a Masters' degree. Moreover, some Mahajans claim to be suspicious of University life and the attractions of meat-eating, alcohol and promiscuity for their sons in the cities. Everyone claims to know someone whose relative went abroad for higher studies and became involved in these activities. How much of this is accurate is difficult to assess. It does, however, bring to the fore again the competition of rationalisations noted earlier and I shall return to this theme again.

Mines (1972, p. 101) finds Muslim merchants' attitudes towards education to be a manifestation of asceticism but he fails to substantiate this point. More convincing are his suggestions that young merchants gain experience practically and value shopkeeping higher than other sources of livelihood, hence ignore the possibilities of further education for alternative professional qualifications. Undoubtedly as he, Singer (1968, p. 138 ff.) and Berna (1960, pp. 138 ff.) suggest, specialised education and technical expertise are beneficial

to the industrialist. However, as I shall show in the next chapter, not everyone wishes to become an industrialist.

To illustrate some of the above points, I shall show how kinship operates within the business community from the perspective of an individual lineage. I am not trying to suggest that the particular kin-related difficulties of the Patni khandan are usual, or indeed typical. However, they do illustrate in a nutshell the implications of the familial organisations of business, some if not all of which affect very many business families.

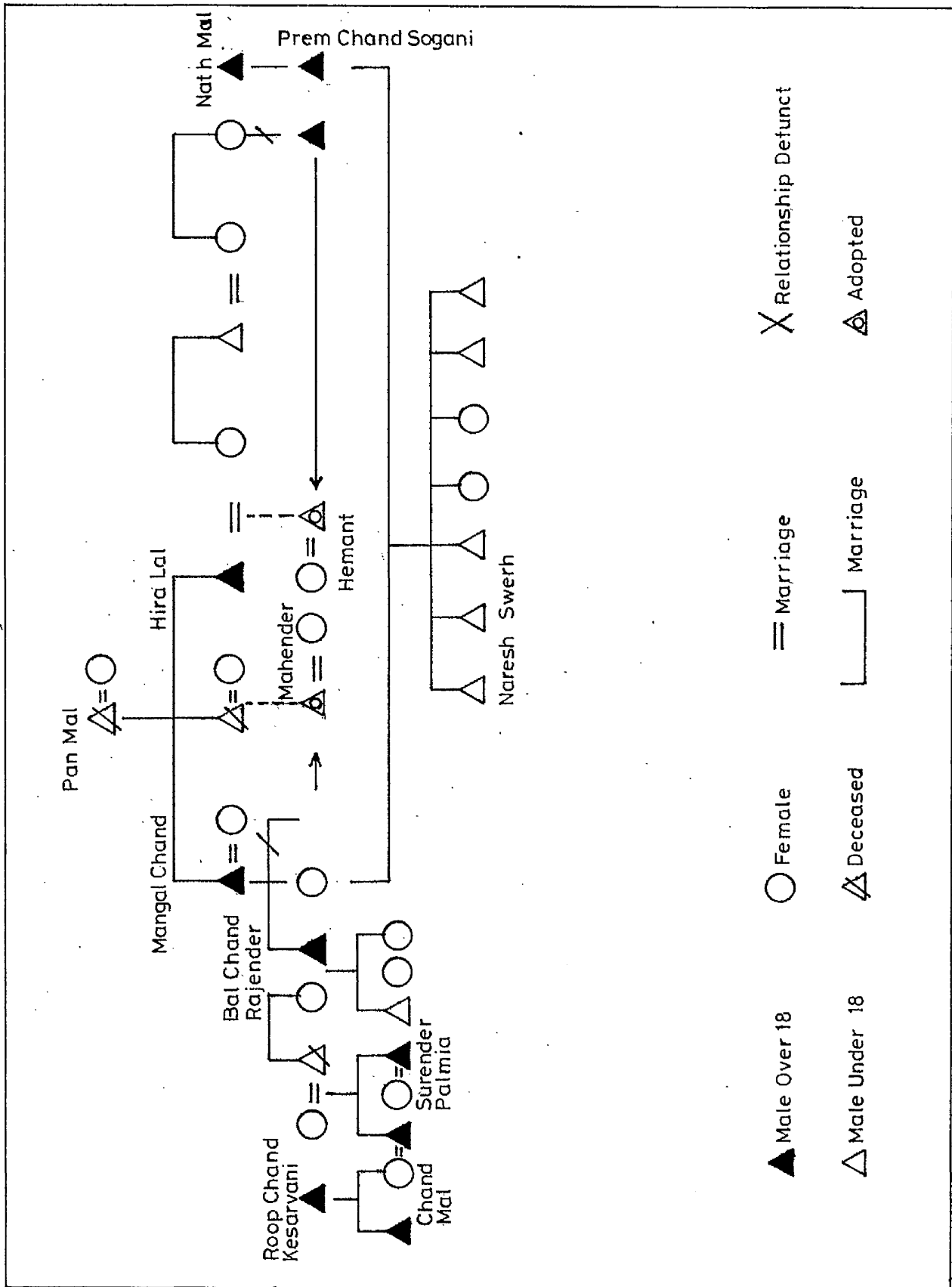
#### A business family

The Patni family came to Mandi from Jodhpur district about 30 years ago. By jati they are Khandelwal Jains. The malik, Dan Mal, had read newspaper reports concerning the development of business in Mandi and decided to move to a more promising economic location. The khandan now owns a large mansion behind the Vegetable Market with its own well. Other property includes all the land between the Vegetable Market and the Ramlila Ground and the shops, warehouses and residential accommodation sited on it. When they first came to Mandi, however, the whole family lived in two rented rooms above a rented shop in the Chaturbhuji bazaar, owned by Gujar Mal's father, Gori Lal, for which they paid Rs.50 per quarter year.

The total number of individuals resident in the haveli is 20, not specially large by Mahajan families. It is not the size but the complexity of the relationships which is of interest (see diagram 7.2). Dan Mal had three sons, Mangal Chand, Bal Chand, and Hira Lal. Only the middle son, Bal Chand, had children, consisting of two sons and four daughters. The younger son, Mahender, was adopted by Mangal Chand, the eldest of the three brothers, and Hira Lal adopted his

DIAGRAM 7.2

SIMPLIFIED GENEALOGY OF THE PATNI KHANDAN



wife's brother's wife's sister's son Hemant.

In 1974/75 Rajender, the elder son of Bal Chand, was married with an infant son and two daughters. Mahender was married with no children and Hemant had been recently married. The deaths of Dan Mal and Mangal Chand in rapid succession posed problems for Bal Chand, the new malik. In his own words, this was "a house full of women and babies". As well as Dan Mal and Mangal Chand's widows, there were also his own widowed sister, his wife and four unmarried daughters, and two sons too young to sit in the shop. Fortunately, Bal Chand was able to arrange the marriage of his oldest daughter to Prem Chand, son of Nath Mal Sogani, a Mahajan of Jodhpur, with whom the Patnis had business connections. As it happened, Nath Mal also experienced family problems. The only son of an only son, he found it difficult to expand his business sufficiently to meet the burgeoning needs of three adolescent sons and three daughters. The problem of providing for his sons' livelihoods and daughters' dowries encouraged Nath Mal to permit Prem Chand, his oldest son, to join Bal Chand in Mandi as son-in-law and business partner. Although, strictly speaking, Prem Chand Sogani, his wife, and seven children now form a separate patronymic group living in an independent household, the interlocking nature of business ties means that other Mahajans interact with them as if they were part of the Patni khandan.

Mention must be made at this point of the significance of two other sets of affines, the Dalmias and Kesarvanis. Rajender's wife's khandan is Dalmia and her brother's son's wife is Roop Chand Kesarvani's daughter. Surender Dalmia was orphaned shortly after his sister's marriage and Bal Chand, eager for new male recruits to the household, took the unusual step of inviting him to live with them. Surender, his wife and mother also share the Patni haveli. The



closeness of affinal ties has made feasible the financial involvement of Roop Chand Kesarvani and his son (uncertain of the Patni family businesses. However, they are not generally included in the Patni khandan though the Dalmias, like the Soganis, have been absorbed into the patrilineage and no longer use their own lineage name.<sup>7</sup>

The business affairs of the khandan are arranged around a series of five partnerships, known in Mandi as the panch-dukaan (five firms). These are, in order of seniority: Dan Mal-Hira Lal; Baktaver-Mangal Chand; Bal Chand-Rajender Kumar; Naresh Kumar-Suresh Kumar; and Hemant Oil Mill. Bal Chand-Rajender Kumar is effectively the head office. The dukaan of this firm is located in a quiet street off the Chauhati Bazaar, and is not visible from the main bazaar. The buildings around the courtyard are owned by Prem Chand Sogani and consist of warehouses and tenements. Only the weighing machine and the Ganesh sign above the doorway reveal that a brokerage business is transacted from the courtyard. The shop has no windows and light is admitted through double doors which are bolted at sundown. The ledgers of all five firms are kept there, going back to Jodhpur days, and amounting to 56 for the year 1974-75. These are kept by the head Munim of the five firms, Nanak Ram.

This firm is one of the largest and most sophisticated family businesses in Mandi. It is not only a pseudo-partnership but also a pseudo-firm, that is, it is registered as a business under separate names from the other four firms, even though all five are owned by one khandan and with members of that khandan as partners in each. The partners are registered as Bal Chand, Rajender Kumar, Prem Chand and Mahender Kumar, with Bal Chand as majority shareholder. However, the malik is Prem Chand, who runs it with Nanak Ram, a Gujarati Brahman from Porbander. He was recruited with

the help of Giri Raj Todwal, whose daughter was married into a Khandelwal Vaishnava family in that city.

The relationship between Prem Chand and Giri Raj dates back to the dissolution of the Todwal household, shortly after Prem Chand arrived in Mandi. As described earlier, Giri Raj did not have adequate capital, credit and contacts to finance the commission agency which he wanted to establish. Prem Chand, a newcomer, needed allies in the locality. Mutual interest has developed the relationship into a steady association and the two often collaborate in financial transactions. Prem Chand persuaded Bal Chand to appoint Giri Raj's protégé, on the grounds that he would be in a position of absolute dependency. As a Brahman and a stranger, he could not manipulate their relative weakness in management, while a Mahajan munim recruited from Mandi. Nanak Ram lodges in Prem Chand's house and takes his meals there, therefore his primary identification is with that household. Consequently, although Bal Chand is officially the malik of the five firms, through his access to and control over the keeping of accounts Prem Chand is effectively the master. Many farmers, in fact, call him "Masterji".

Prem Chand's ability to turn adverse circumstances into personal advantage is underlined by the fact that, under his guidance, the firm Bal Chand-Rajender Kumar has become the sole firm capable of dealing in commodities on its own account, as well as broking on a commission basis for city dealers. Prem Chand works hard at establishing, consolidating and maintaining his network of contacts. In particular, his contacts with farmers are good. Prem Chand has a close business relationship with the Chairman of the panchayat samiti, a Jat farmer, whose business he helped to establish about five years ago by providing confirming and insurance facilities when other Mahajans would not. Though criticised at the

time for cultivating unorthodox business acquaintances, the social investment has paid dividends. The Jat leader has been instrumental in preventing farmer clients from being poached during Prem Chand's frequent absences on business trips, and in promoting his political interests within the Notified Area. As an outsider, social networks in Mandi were an initial problem, but he has managed to build up a resource group for mercantile credit. This consists of the maliks of the firms of Banwari Lal-Gyan Chand, Birdhi Chand-Janaki Lal and Bhunan Lal-Kapoor Chand, and sometimes Gori Lal-Gujar Mal. With these backers, Bal Chand-Rajender Kumar is able to deal in the most important commodity marts of North India—Lucknow, Kanpur, Delhi and Agra—and, unusually for Mandi, in the cosmopolitan marts of Bombay and Calcutta.

The firm has a reputation for fair dealing which is linked closely to the personality of the malik. During fieldwork, when the market for spices slumped, Prem Chand reimbursed the losers on his transactions though many firms did not. Such a reputation has made the firm stable and profitable and earnings are, on average, about a lakh per annum before taxes and the family's drawings. Principally it deals in cumin seed and coriander, both of which are risky though profitable because of their acute dependency on the timing of the monsoon. The involvement of newcomer businesses in risky commodities was mentioned in the last chapter as a typical modus vivendi.

The other firms, with the exception of Hemant Oil Mill, are less profitable, taking around Rs.50,000 to Rs.100,000 before deductions per annum. Nonetheless they are still amongst the biggest firms in the bazaars. The involvement of three of the five firms in the grain, oil seed and spice trade means that overall profitability fluctuates. The unusually wet weather in September 1975, for example, caused Dan Mal-Hira

Lal to register a complete loss for the trade in red chillies. Prem Chand estimated that the average annual turnover for any given year could be in the region of three lakhs, for the five firms combined.

The organisation of the other firms is similar to that of Bal Chand-Rahender Kumar, except that the accounting is less elaborate. Baktaver-Mangal Chand and Dan Mal-Hira Lal share a munim. This poses few problems since the dukaans are situated within a few yards of each other on the Chaturbhuji Bazaar, and deal in similar commodities. Dan Mal-Hira Lal deals in food grains (wheat, barley, rye, and some millet) and semi-refined sugar, plus local spices such as fennel, fenugreek and dried red chillies. These are not as profitable as cumin but are much steadier sources of income. Baktaver-Mangal Chand also deals in spices but imports them from outside the region, principal lines of trade being saffron, tumeric, ginger, cinnamon and cloves. All of these are extremely costly and their profitability is high. Both Dan Mal-Hira Lal and Baktaver-Mangal Chand are well-established and require less effort, as going concerns, than either the Hemant Oil Mill or Bal Chand-Rajender Kumar. This is shown by the fact that, although the partners are registered as Mangal Chand and Mahender Kumar in the first instance and as the brothers Dan Mal and Hira Lal in the second, both Mangal Chand and Dal Mal are deceased and the respective firms are run single-handedly by their survivors.

The most elaborate partnership is the Hemant Oil Mill, which has Hemant Patni, Chand Mal, Roop Chand and Surender registered as partners. The capital investment required for an oil mill is so high (approximately two lakhs) and the return on investment so great that both families were persuaded into the transaction. At times, however, one had the

impression that the decision had been taken against their better judgement. Chand Mal resents the prominence given to Hemant, a younger man, if only in the name of the firm. The Kesarvanis resent their exclusion from decision-making since, despite the family connection, they are not "of the house". The Patnis dislike their reliance on outsiders. "Never mix family business with other concerns" said Hira Lal ruefully. It is doubtful whether the arrangement could be permanent, in view of this conflict of interests.

The last partnership is registered in the names of Prem Chand's sons, Naresh Kumar and Suresh Kumar, but is run by ~~Rajender and Surender~~. Like Hemant Oil Mill, this firm has its own munim (making a total of four) but in this instance the accountant is also a manager, since the boys are too young yet to take full responsibility. Naresh Kumar-Suresh Kumar deals in oil seeds, predominantly ground nuts, rape seed and mustard seed, and is a sideline to the oil mill at present. Moreover, when Prem Chand's sons come of age it seems likely that they will take over the management of the firm. A livelihood must be provided for these five brothers, and Prem Chand can be expected to take an increasing interest in a firm of which he is proprietor.

Just as Dan Mal-Hira Lal reflects the older generation and traditional mercantile interests, so Hemant Oil Mill and Naresh Kumar-Suresh Kumar are the preserve of the younger generation and modern commercial concerns. More pertinent to the point at issue here, the Patni khandan illustrates the consequences of the dependency of the traditional family business upon its own manpower which is simultaneously a source of strength and of weakness. "A firm must grow or it will be suffocated by the others" Bal Chand asserted, but growth is only possible where there are sufficient males in the patrilineage. If the khandan cannot reproduce itself,

the business activities of the firm will experience serious organisational difficulties. As indicated earlier, despite the fact that the trading houses as a whole employ more extra-household members than other types of firm, there is reluctance to place them in positions of trust. Thus Bal Chand, the malik, has been forced to rely upon surrogate sons in the persons of Prem Chand Sogani and Surender Dalmia, as well as adopting Mahender Kumar and Hemant Patni.

Where there are no sons, unless a daughter's husband can be persuaded to take over the running of the business and incur the ignominy of being a gher jawai (son-in-law-of-the-house) the business will fold up completely. This label has a real sting: Prem Chand Sogani is mockingly called 'jijaji' (brother-in-law) by everyone in Mandi. Resentment of the role reversal, of being regarded as rather less than a man, must undermine loyalty to the affinal khandan in the long run. The foundation of the firm of Naresh Kumar-Suresh Kumar is already an indicator of potential problems. It seems only a matter of time before relations are severed between the Patnis and the Soganis because of their competing interests.

Other predictions can be made from family structure. If Mahender has no male children, which seems probable given the biological record of the khandan, then either he will be forced to adopt, in which case the cycle will repeat itself, or Baktaver-Mangal Chand will collapse and its concerns amalgamate with Dan Mal-Hira Lal. Without Prem Chand's energetic leadership Bal Chand-Rajender Kumar seems likely to lose impetus. In such circumstances the amalgamation of the latter firm, too, with Dan Mal-Hira Lal, in order to trade upon its longer established name and reputation, is also a possibility. A final point is that although the Patni family have amassed a fortune of many lakhs, because there are more daughters than

sons over the last two generations large amounts of capital have been or will be expended as dowry without incoming dowry to offset the loss. The relationship between marriage and business will be discussed in the following section.

#### STRATEGIES OF MARRIAGE

Marriage dominates the conversation of Mahajans when they are not talking about making money. To a great extent they are interconnected since marriages may be used for strengthening already existing alliances or creating new ones.<sup>8</sup> When marriage negotiations are completed, people say "we have made a rishta (relationship)". Marriages are arranged by the parents of the bride and groom or other senior members of the family or lineage.<sup>9</sup> According to both the traditions of Brahmanical Hinduism and local belief a man must marry in order to beget at least one legitimate son, who will perform funerary rites, remember his ancestors at Diwali and remember death anniversaries, without which moksha is unlikely. Nonetheless proposals are initiated from the bride's side. Mahajans say that there is a dearth of educated and prosperous males and hence a competition for eligible grooms. However, in Rajasthan, as elsewhere in North India, the idea that the honour and status of men is dependent upon the conduct, especially the chastity of their womenfolk, and threatened by their behaviour is pervasive. The sexuality of women threatens the honour of the lineage and therefore must be guarded and controlled, permitted expression only in the socially sanctioned medium of marriage. The performance of wedding rituals transfers the problem of female-linked honour to the husband's lineage. Thus the onus lies with the bride's parents to induce the groom's parents to consent to the match, and the earlier the better.

Historically 'child marriage' (arranging a match between infants) was usual and even today the idea that girls should be married before first menstruation, or as soon as possible thereafter, continues to exert an influence. According to the Hindu Marriage Act of 1954 (which also applies to Jains) the minimum ages prescribed by law are 16 years for girls and 18 years for boys. However, data collected on 34 households revealed that within the last 10 years 8 males and 14 females had been married before attaining 15 years. One Mahajan girl aged four years was married during fieldwork and would join her husband's household on attaining puberty. Widow remarriage and divorce were also permitted by the same act, and polygynous marriages declared a criminal offence, with the exception of Muslims who are legally permitted to have up to four wives. It is interesting to juxtapose the statement of the ~~Imperial~~ Gazetteer (Lyall, 1879, p. 111) that "statistics show that polygamy (sic) is far more common among the Jains, Hindus and animists than among the Musalmāns, and that it is most prevalent in the western states". Due to awareness of the unacceptability of this practice in the wider political context, data on this aspect of marriage were not forthcoming, though two polygynous marriages were discovered among the senior most generation of these 34 households. Both consisted of two wives, in one case sisters, and involved Agrawal Jains. No cases of divorce were recorded, nor were there any instances of widow re-marriage. I mention this because again it pinpoints the conservativeness of the traditional merchant castes. It also links into the theme of the nawabi lifestyle model mentioned in chapter five.

In chapter four it was noted that marriage rules differ between jatis, particularly with regard to consanguineal exogamy. Superimposed upon the principle of jati endogamy, the Khandelwals have strictly exogamous patrilineal clans. They also exclude for marriage purposes any person of the



mother's natal lineage with whom kinship can be traced up to seven generations, and forbid marriage into the maternal and paternal grandmothers' lineages. This is sometimes called the four gotra rule. Whilst it is considered desirable to arrange a marriage for one's child with someone whose family background, character, and economic circumstances are known, avoidance of repetitive alliances is preferred. Sister exchange (watta satta) is reviled as a low caste practice, as is marriage of two or more sisters to two or more brothers. Similarly, because fictive kin ties tend to be established between acquainted households, marriage between persons who are familiar with each other is also disapproved. Such a system of marriage rules implies a wide spread of affinal ties. Whilst marriages within Mandi are not prohibited, encouragement is given to finding suitable spouses outside the town. This ambiguity is important, as I shall show below.

By contrast, Agrawals need only avoid one gotra (descent line) which is their father's. Clans are exogamous, and the only other marriage rule states that one cannot marry a consanguine less than four generations distant, though marriage into the mother's natal lineage is discouraged. Amongst Oswals and Maheshwaris, too, there is no four gotra rule and, moreover, sister exchange is permitted. This eliminates the rigid distinction between wife-giving and wife-receiving lineages which exists in the other Mahajan jatis. It also creates an interlocking complexity of kin relations between lineages which is unusual in north Indian castes. According to Maureen Michaelson (1977, personal communication) repetitive marriage alliances amongst Gujarati Oswal Mahajans are positively valued and there is a firm belief that, once a connection between families has been established through marriage, further alliances should be forged to strengthen it. However, in practice, there are so few Maheshwari and Oswal families (three of each) living in the town that here, also, suitable spouses must be

sought outside it. Here, again, there is ambiguity.

Amongst Agrawals, wife-givers to the first generation become the consanguines of the second generation and can again become the affines of the third, since from the perspective of a male ego, marriage with a matrilateral cross second cousin is feasible. This perpetuates status differentiation between exogamous lineages. Apart from these instances, the patrilineal bias remains in kinship terminology and modes of address. Distinction between agnates and maternal kin on the one hand and between wife-giving and wife-taking affines on the other is a critical feature of Mahajani kinship terminology. There are no relations between equals, except in the specialised circumstances of ritual exchange between brother and sister, or fictive siblings, such as at Rakshabandhan and Bhaiyadhuj. The ambiguity between normative and actual kinship terms and behaviour leads to a constant inventiveness in terms of address noted earlier (in chapter two). Strategic selection of terms of address is instrumental in managing expected behaviour and the chance to demonstrate superior status or to minimise status differentiation, according to the self-interest of the individual concerned, is never missed in social interaction between kin.

Though as described in chapter five, the gift of a virgin daughter in marriage is ideally an act of religious merit, providing that no tangible benefit is anticipated, nonetheless it is interesting to compare the advantages which the parents of the girl and boy concerned do expect from the marriage alliance. The bride's parents hope amongst other things to secure a connection with a lineage of high social standing. Hence they gain prestige vis-à-vis those families of their jati who cannot contract such good alliances. However, the bride's family must be prepared to bear what Das (1975, p. 74) has called the social costs of the marriage,

in addition to the economic costs of funding the festivities and providing dowry. The social costs consist of the systematic status differentiation between the wife-givers and the wife-receivers described above, and which has received such wide attention in the literature (most recently Parry, 1979). Amongst Khandelwals especially it results in humiliating inferiority for the wife's kin. The bride and her lineage are explicitly regarded as belonging to a lower status category and constantly reminded of her 'small' amount of dowry.<sup>10</sup>

The groom's family hope to secure money ~~or~~ generalised economic advantage, or political support, or all of these. The usefulness of uxorial affines in Jamnagar for one oil mill-owning family will be discussed in the subsequent chapter. Alliances between cloth merchants and textile factory owners in Indore and Gwalior follow similar principles—ensuring a regular supply of a government-regulated commodity on the one hand and a steady outlet for goods on the other. So do marriage alliances between a town malik and village Mahajan, where a typical transaction could be the exchange of rural debt collection favours for influence with the Tax Inspectorate, or simply a reliable source of credit.

Nonetheless, despite inequality of relative standing after marriage, there is often a close correspondence between the way in which marriages are made and the convergence of interests at the time a marriage is arranged (Barth, 1959, p. 93). Marriage is an important method of cementing valued relationships between business families and expresses primary social orientation, whether predominantly intra or extra bazaar. All of the oil-mill owning families have made progressively more distant alliances as their prosperity has increased: in Indore and Gwalior (Madhya Pradesh) Jamnagar and Porbander (Gujarat) and in Delhi. Other wealthy families

arrange marriages for their children within Mandi itself or in neighbouring villages or in Jaipur. Two opposing strategies are at work here. The first is to spread out the web of significant contacts and the second to consolidate linkages, intensifying rather than extending the social network. The need for wider and wider linkages in industrial entrepreneurial families can be seen in the following example, (Table 7.3) in which the origins and destinations of marriage connections and their change through time are tabulated. This may be compared with Table 7.4, which gives an example from non-industrialist merchant families, in this case a provisioner's business.

TABLE 7.3

SUCCESSIVE MARRIAGE ALLIANCES IN AN  
INDUSTRIALIST FAMILY

Daughters-in-law		Daughters	
Origins	Distance (miles)	Destinations	Distance (Miles)
1. Lalset	4	1. Sanganer	35
2. Vatika	8	2. Jaipur	40
3. Dausa	40	3. Jamnagar	400
4. Sanganer	35		
5. Tonk	20		
6. Ahmedabad	200		

By way of providing some kind of base lines for comparison, on average, the marriage network of higher castes, like Brahmans or Rajputs, would spread no more than 30 miles from the village. For lower castes, like the Chamars, the marriage network would not be so wide, no more than 15 miles around the village. Tonk is a large town, population 25,000, and

therefore more prestigious than Dausa and Sanganer. These two towns are approximately the same size, population 5,000, but Sanganer is more prosperous. Lalset and Vatika are small villages, therefore least prestigious in terms of connections. Todaraisingh and Malpura are market towns similar to Mandi, with populations at 11,000 and 13,000 respectively.

TABLE 7.4

SUCCESSIVE MARRIAGE ALLIANCES IN A  
NON-INDUSTRIALIST FAMILY

Daughters-in-law		Daughters	
Origins	Distance (miles)	Destinations	Distance (miles)
1. Jaipur	40	1. Jaipur	40
2. Todaraisingh	20	2. Jaipur	40
3. Malpura	15		
4. Mandi	-		

A whole and quite complex theory has been constructed in Mandi to explain patterns of marriage choices. Those who have made supra-regional marriage connections feel they are implying that an alliance with local Mahajans would have been less than satisfactory. In the case of girls, this would mean that the dowry was insufficient. In return, those who have made local or intra-regional marriage connections assert that the former are forced to look outside the familiar network because they cannot find a local family prepared to intermarry with them because of their involvement in politics. The process of arranging a marriage, always fraught with uncertainty and difficulty in northern India, can have unpleasant consequences, as lineages struggle to assert their

social superiority over each other.

For example, Lal Chand, the malik of the Choraria khandan and a wealthy general merchant, tried to negotiate a marriage between his daughter and Hemant, the adopted son of Hira Lal Patni. This proposed alliance between two of the wealthiest Khandelwal Jain families in Mandi was rejected. Hira Lal implied that Ila was a poor match for Hemant, and made unkind jokes about her alleged plain features and lack of sophistication, as well as insufficient dowry. Later, Lal Chand took revenge for the insult by arranging for the abduction of Hira Lal's daughter, on her way home from visiting the Sogani household. It was fixed beforehand that his sons should rescue her 'by chance' from the dacoits and thus witness the lineage's shame. When she was married into a merchant house in Bikaner, some months afterwards, Lal Chand ensured that the story should reach there that she had eloped with an actor. He openly asserted in Mandi that she was pregnant at the time of her wedding and that this was only to be expected from the newly rich. Hira Lal could do nothing and decided that the wisest policy was to live down the incident, retaliating at an appropriate time in the future.

Few marriage negotiations have such violent outcomes, but many are acrimonious. Competition for good connections is no less acute because of failure to agree on how these are defined. Status ambiguity within the caste category, an inherent feature of Mahajan social structure, has been exacerbated by the migration process and as a result of new sources of wealth. It manifests itself in confused patterns of marriage alliances and competing explanations of what is and ought to be happening. In 1974-75 there were rumours that "in England" Khandelwals and Agrawals were intermarrying. Other rumours asserted that "in Gwalior and Indore" Khandelwal Vaishnavas and Khandelwal Jains had recently contracted marriage alliances.

Working on the principle that nothing concentrates the mind so much as a fait accompli, this could be the hint of a future resolve in the making. Perhaps it is not too fanciful to speculate that a new endogamous unit of the super rich may emerge? However, the point is that people were seeking to explain a complex situation, and to make their own definitions of what is an appropriate marriage choice for their children prevail over the explanations of others. As Bailey puts it, "In this process, 'economic' considerations (selecting efficient means to achieve some given end) mingle with politics, the competition to define both the moral worth of means and select those ends which are agreed to be moral and social imperatives". Thus while most marriages in Mandi have little to do with politics, marriage has become a political issue, in the sense that alternative rationalisations of categorical imperatives are in conflict.

Marriage confusion is status confusion. In the final section of this chapter, I discuss briefly the implications of status ambiguity, as expressed in terms of the social relations between Mahajan households. The next chapter analyses reasons for the failure of the ~~small scale industries~~ programme and continues this theme, which is significant in the context of leadership especially.

#### SOCIAL RELATIONS BETWEEN HOUSEHOLDS

Social relations between households are marked by wariness, cynicism and restraint. This aspect has also been noted by Fox (1969, p. 129) who speaks of the "conservative, mutually mistrustful Banias". Whilst it is feasible to describe the social institutions which bring merchants from different households together, it is not true that all Mahajans know each other, or of each other, or wish to become acquainted. Mahajans of the same jati might live in the same mohalla

for years without knowing it, or be aware of the fact without feeling the need to greet or visit each other. Unless some kind of connection can be established, through the ties of kinship, business acquaintances, caste associations, temple committees, and so on, social relations are unlikely to be cemented. The special interests involved in these culturally defined contexts make voluntary interaction difficult and inhibit friendship. Carstairs (1961, p. 68) points out the contradictions and ambivalences of social life in a Rajasthani village. Everyone hopes to find the one 'true' friend, with whom one has a frank and sincere relationship, entered into freely. But it is simultaneously realised that the ideal is unattainable, and none can be fully trusted. This observation is entirely applicable to Mandi.

In general, then, customary patterns of interaction between households preclude association outside of pre-defined social categories and make informal inter-visiting in each other's homes possible only between kin. Visiting is mostly done by women, who meet frequently if their houses are nearby or adjacent. More distant houses require an expedition of two or three women, heavily veiled. These visits are, therefore, less informal and are undertaken for some ostensible purpose, as well as to transfer items of news and gossip. House calls by acquaintances who are not kin are made for a definite reason. For example, a girl or boy is brought round to be 'shown' so that a suitable spouse might be suggested, or an experienced, older person could be asked for advice on family problems. Visits are brief and last no more than 20-30 minutes. Though refreshments are offered, they are invariably refused.

Restraints on social interaction extend to children's behaviour. They are dissuaded from going too often to a class fellow's house and beaten for taking food outside the household or extended family. Even very young children know that they should not play with children from other castes. They



are taught that the bazaars are evil places and that outsiders, that is, people not 'of the house' require caution. Avoidance rules mirror this, especially injunctions to avoid drawing attention to oneself by behaving conspicuously. Two axioms are heard constantly in Mahajan households: "If a crow speaks, it talks rubbish" (warning against voicing unwanted opinions) and "Feed a snake, it still bites you" (warning against injudicious friendships). And yet, though the majority of social relations are marred by suspicion, this is not permitted to emerge in open hostility. A father will beat his son for fighting. He will beat him twice as hard if he wins.

It is in this sort of atmosphere that the evil eye (nazar) flourishes. As a social phenomenon, the evil eye rests on the belief that the gaze of certain persons can cause actual harm, either bodily or mentally. As Pocock (1973, p. 27) argues, the evil eye is the eye of jealousy and envy. Since everyone knows someone whose plight is in some respect worse, no one is immune to its effects. Harm may be unintended, as in the casual envy of good fortune, or intended, such as conscious and malevolent wishes. In this way, beliefs in the evil eye merge with beliefs in witchcraft, the conscious manipulation of psychic energy for malicious ends. As suggested in chapter five, anyone who achieves suppression of the self through austerity and renunciation can achieve supernatural powers. Therefore, any stranger, business acquaintance or even family friend is a potential source of danger, on a variety of levels of mystical attack.

Superficially, adult Mahajan males disclaim that nazar exists and characterise such beliefs as typical of the foolishness of women. Nonetheless, most merchants wear amulets of iron or brass, to guard against spirits and ghosts as well as the evil eye, and keep cockle shells in their cash boxes to

divert the gaze of malevolent customers. Many shops have taviz (written charms) affixed to doorways. These are written by Muslim ritual specialists. Older maliks sometimes wear gold earrings to prevent others' evil thoughts from damaging their concentration. The focussed ill-will of competitors can cause the malik to make bad decisions or become insane, temporarily or permanently.

Consequently Mahajans fear the envy and jealousy of each other. They do not worry that competitors from other castes who have taken to business with less success, will "throw a look". Envy, here, is more likely to result in assault or litigation. However, where competition between business is competition between households who are affines, or worse agnates, the situation becomes tricky. Although together they form the largest, wealthiest, and most influential social category, individual households vary substantially in their specific social and economic circumstances. Poor merchants are allocated to the prestigious Mahajan category solely by virtue of their known connection, through kinship or otherwise, with more prosperous caste fellows, who endeavour to deny any relationship with them.

Moreover, the malik of a household which has attained extraordinary riches is not deluded that less successful kin and acquaintances are delighted on his behalf, for within each jati self-improvement is relative. To admit that someone else is a better businessman is to denigrate, implicitly, one's own moral character, for the rich are blessed by God. Conversely, the moral revulsion in which the poor are regarded over-rides the obligation to support kin and thus become associated with them. However, just as explanations of one's own misfortune shift in emphasis towards nazar, particularly where random factors such as no sons, too many daughters and unlucky accidents affect prosperity, so explanations of others' success tend to stress involvement in speculation, black-marketeering

and shady transactions generally. Thus explanations of good and bad fortune vary and again compete, merging into the manipulative social ploys of gossip and scandal.

Taken to logical extremes, this means that hardly any family can escape nazar, or enjoys the good fortune which business acumen brings whole-heartedly. It is part of the experience of every Mahajan child to be taken to see the bhopa (witchfinder) since disease, envy and mystical attack are synonymous. Whilst it would be rash to assert that fear of jealousy and its concomitants, gossip, scandal and the evil eye, prevent the accumulation of wealth, there can be no doubt that concealment is encouraged. Thus rich families do not make a show of their good fortune, except in socially approved ways and take care to avoid drawing attention to it otherwise. Perhaps this is another reason why social relations between Mahajan households feature separation and exclusivity; that is, to minimise the friction caused by differential success where ideology stresses equivalence within the caste category.

#### SUMMARY

Evidence from Mandi suggests that the joint family system is not incompatible with the development of modern industry. On the contrary, it exhibits features which are useful for the organisation of both industrial and commercial enterprises. The centrality of the family in the organisation of the traditional firm appears to be acquiring more, not less, significance as business becomes more complex. This is seen particularly in those former households which are now separate residential units but continue to coordinate their business interests. The greatest change taking place concerns patterns of marriage. This is related to competing strategies of prestige and status deriving from economic changes in the town over the last decades.

## CHAPTER EIGHT

ECONOMIC DEVELOPMENT AND PRIVATE  
GAIN—AN ANALYSIS

## INTRODUCTION

Since independence the economy of Mandi and its region has changed greatly. There has been a switch from the simple wholesaling and retailing of commodities, when the bazaar functioned principally as a distributive centre, to commission agencies (brokerage businesses) whereby Mandi functions as a collecting point. More recently, the growth of small-scale industry has added yet another function. There are now 13 oil mills which process oil seeds into dalda (vegetable oil for cooking) four flour mills, a soap and candle factory, and an ice factory which are operated by local families.

Mandi is regarded as a progressive place in a generally backward state and the private sector of the economy is flourishing. This is one of the principal reasons why the Rajasthan Development Corporation became interested in Mandi, with the aim of encouraging further industrial development. However, progressive though they may be, Mahajans have shown little interest in the projected scheme of development and plans for setting up an industrial area on the outskirts of the market town have been unsuccessful.

The development programme involved attending meetings, agreeing on schedules and negotiating with external political processes for sizeable state grants to industry. For the sake of convenience these decisions and actions were called the public sector, distinguishing them from purely familial decisions on investment and the use of capital, which were called

the private sector. The coming chapter will attempt to explain why Mahajans are innovating successfully in the private sector whilst the public sector has experienced difficulties. There will be particular reference to the role of the family and its central place in Mahajani thinking<sup>1</sup> which relates to the problem of leadership.

#### INNOVATION IN THE PRIVATE SECTOR

Somewhere between 15 and 20 years ago Gujar Mal decided to start a vegetable oil mill. As a broker of groundnuts and other commodities from which vegetable oil is extracted—such as mustard seed, rape seed, linseed and cumin seed—he heard of the very good profits to be made in vegetable oil from the buyers of these commodities, all destined for oil extraction plants. Interested, he obtained names of businessmen in Jaipur who could handle the processed vegetable oils, supply containers, and provide transport. He visited several oil mills in Jaipur, run by Khandelwals like himself, through the intervention of the Khandelwal Mahasabha, and thus acquired information about the machinery required to process the vegetable oil, the names of suppliers, and suitable buildings for housing the machinery. He decided to take the risk and using capital from his family firm of commission agents and 'several lakhs' borrowed from business acquaintances in Mandi, commissioned a firm of building contractors from Jaipur (also Khandelwals) to build Mandi's first ever factory. He is now a lakhpatti, a member of the Municipal Board, and reputed to be the richest and most influential man in Mandi. It could be true. During fieldwork his son married the daughter of reputedly the wealthiest silver broker in Indore. The silver market was closed for a week in deference to the wedding and the couple honeymooned at Kovalam beach in Kerala, an internationally famous holiday resort. The bride's trousseau was lavish, and included a profusion of diamond jewellery which impressed the usually unimpressed Mahajans.

Encouraged by his success, in the succeeding years 13 oil mills were built. Sital Prasad explains his family's decision like this: "Three years ago we started an oil mill. We got sick of waiting for the money after we had negotiated a sale. There is no time limit for payment here unlike other markets. The commission is only Rs.1.25 per Rs.100 here anyway; they get 10-15% in Delhi or Bombay, so it's hardly worth the bother of waiting for so little and taking all the risk in between. So we thought, why not do it ourselves? Why let the millowners take all the profit?" Durga Oil Products, the family's oil mill, processes about 36,000 barrels per year at a profit of about Rs.11 per barrel. The waste is sent to his sister's husband's cattle cake factory in Jamnagar, Gujarat, which exports to the UK, USA and Japan. Again, no hard and fast details are available on income, but the family is thought to be 'worth lakhs'. Some indication of their wealth may be obtained from the fact that they spent Rs.20,000 on the wedding of their youngest son, Rs.3,000 alone being spent on the band from Jaipur which paraded him around the bazaars to the accompaniment of music from the films before the wedding party set off to collect the bride. In another social statement regarding the family's modern outlook, his mother is also a member of the Municipal Board and was the first lady to contest openly in the elections. Previously women were co-opted onto their two reserved seats on the Board.

The latest and in the opinion of some, the most impressive enterprise in Mandi is the Mahajan Ice Factory, the inspiration of a gifted engineering graduate, Padam Chand. He decided at Jaipur University that the best way of using his technical knowledge and recompensing the family for an expensively acquired education was starting an industrial/manufacturing concern. He and his father, Bajrang Lal, another very successful businessman and politician, studied the market very carefully and came to the conclusion that an ice factory gave

the best returns on an initial investment, requiring almost no running capital and no skilled labour. Bajrang Lal had business contacts in Jaipur and is a close friend of the owner of the Ice Kandy plant in the city, who provided much useful advice on the technical aspects. He also brought to their attention the possibilities being introduced by the opening up of the newly expanded tourist industry in Jaipur, one of the most beautiful cities of India.

The Mahajan Ice Factory was accordingly sited on land purchased on the approaches to Mandi Railway Station, facilitating rapid delivery of the ice to Jaipur which is next stop on the line. In the three years since work commenced, Bajrang Lal secured through his Congress Party connections an exclusive contract to supply ice to the Government-operated fish farm at Sawai Madhopur on the same railway line. The capture of this monopoly assured the continued success of the infant enterprise which was officially opened with the celebration which normally attends the birth of a first-born son.

All the industrial entrepreneurs in Mandi today share similar histories and little point would be served by recapitulating them individually. Their connections with trade reach back into the bottomless depths of caste history. All have used their family businesses as a springboard for industrial innovation but commitment to industry is both recent and partial. With the exception of Padam Chand, none has had technical or vocational training outside the domain of day to day business experience. All have carried on with their original family businesses of commission agencies, food wholesaling, cloth retailing etc. side by side with their recent expansion into industry. All, too, have emerged from the ranks of the wealthier families of the Mahajans and all of them (or some member of their household) have served on the Municipal Board at one time or another.

## THE AIM OF INNOVATION

The aim of innovation is to maintain the family. The principal duty of parents is perceived as providing for their children, livelihood in the case of boys and a dowry in the case of daughters. A sizeable dowry has two effects: it enables a family to negotiate a good marriage with the son of a wealthy and influential family and stimulates a flow of marriage enquiries from other wealthy families for its own sons, thus enabling the patrilineage to maintain prestigious and honorific connections with other patrilineages over time.

In the past, the provision of a livelihood for boys has been the most important factor behind the opening of new shops in the market place. Wherever and whenever possible Mahajans try to keep their sons in the vicinity "so that the family can be together" and this is regarded as a prime objective. Occasionally sons have had to leave home because of lack of livelihood opportunities in which case they have entered government service, as far back as anyone remembers, to be clerks on the railways, typically, in the days of British India and before that to be munims for the Rajput and Moghul courts.<sup>2</sup> The armed services were and are avoided because of religious prescriptions against violence. This contrasts sharply with the agriculturalists—Gujars and Jats—and the tribals, many families of whom have a relative in the armed forces. (One Jat had served with Nehru's peace-keeping force in the Congo and three others had fought against Japanese and more recently Chinese forces in NEFA).

In the main, today, sons of Mahajans who are residing outside Mandi are attending college or university. There are only four of these and they study exclusively business oriented subjects e.g. business administration, accountancy, and



commercial law. However, some entirely new businesses have been established in Jaipur which are operated by sons or younger brothers. These are regarded as offshoots of the family business and the policies of the parent company and its offspring are closely integrated. For example Gujar Mal's son Narender runs a transport business in the capital which handles the shipments of grain, oil seeds and spices from the family brokerage business and also the processed dalda from the oil mill. In addition, Narender manages the leasing of trucks and tankers to the general public, in effect the Mahajans of Mandi. Similarly Madan Gopal's brother, though a jeweller, is advantageously placed in the city to deal with the commodity licenses needed for the grocery business in Mandi and any problems of lost goods or failed payments which arise at that end. Madan Gopal's eldest son has been apprenticed to the same uncle and will probably enter the jewellery trade himself when he comes of age. There is insufficient work to keep all three boys occupied as adults with their own sons in one shop. Also, the expansion of the trade in gem-stones in Jaipur since the promotion of tourism presents great opportunities for merchants with capital to spare. It is worth noting that the elder brother's business was initially established with capital diverted from the family grocery business and he served his apprenticeship in the house of his maternal uncle, a long established firm of jewellers in Johari Bazaar in Jaipur, the heart of the gem-stone business.

These offshoot companies are owned by the richer families of Mandi. This is because the wealthy families alone have the spare capital and hence risk-taking orientation to venture into business expansion extra-locally. If a business does not prosper as anticipated the shoots can be retracted and found occupation in the familiar environment where credit is good, ties established and business secure. In general, however, there is a strong correlation with the genealogical expansion or decline of the family and a weaker correlation with external

demand. Bajrang Lal's family is pre-dominant in the cloth trade today largely because he has an elder brother still living and four adult sons. Two sons work permanently in the cloth shop which the elder brother, Narayan Lal, supervises. This enables Bajrang Lal to pursue his political career as a member of the Municipal Board. Another son is in the Indian Administrative Service who can 'fix up licenses' (to quote Bajrang Lal), and the fourth manages the Ice Factory. By contrast Madan Gopal handles so much trade at the grocery shop that he could profitably separate the wholesaling from the retailing side. However with the oldest boy in Jaipur and the other two merely little children "who would do the work?" When Madan Gopal had a near fatal motorcycle accident Ramdas had to be recalled from Jaipur and his wife's brother's son Subhash employed to keep the business going. Now that he is well enough to sit in the shop again and supervise the youngest boys, Subhash has been returned to the Devalal-Durgalal commission agency. Although a relative, he is not close enough to be trusted completely. Where there are no sons, the business will eventually collapse unless a son-in-law can be persuaded to incur the ignominy of being a gher jawai (son-in-law of the house) or unless male children are adopted. In chapter seven it was pointed out that the Patni patrilineage has had recourse to both these strategies to ensure the continuity of the family and firm.

These examples show that the decision to expand or contract business is dependent on family structure. Family circumstances also determine the likely time for such decisions. The presence of several adolescent boys in the household acts as a spur to expansion, due to the necessity for considering their anticipated wives and children and the means by which increased business may be managed. It is time for a hard look at the family resources, especially

with regard to the future exploitation of incoming dowry. Hence a periodic re-assessment of capital and re-organisation of business is a familiar process in Mandi. It is an essential element in the developmental cycle of Mahajan families.

## RESOURCES

Capital for new enterprises is often raised by land sales or alternatively property is mortgaged to the bank or to other businessmen. Because almost every Mahajan family owns some property there is the feeling that every family is potentially wealthy. It goes without saying that some families have been more successful than others and that success is based upon initial surplus capital plus business acumen and also some degree of good fortune.

It is possible to break into business; one man started a tea stall by the bus stand with an initial investment of only Rs.25 and is now the owner of his 'hotel' but to run large scale, more conventional businesses requires considerable capital. To give an example from the commission agents, Pradhan Ji, the only Gujar in business in Mandi, had to find an initial outlay of Rs.10,000 to start in the brokerage business 15 years ago. He bought the land outright, for Rs.4,000 and it cost another Rs.6,000 to put up his shop. Nowadays of course it would require at least five or six times that amount, which does not include running capital. Other examples were discussed above.

However, the material resources of the wealthiest families have been accumulated and consolidated over generations, cash reserves being transformed into property, which in turn provides the capital for innovation. Although, practically speaking, property is held in the firm grip of the malik, it is felt to belong to the family in perpetuity. Because

male members of the lineage share jointly in the family property, each individual is prepared to sacrifice his own interests and work for the good of the whole, even though he may not benefit tangibly in his own lifetime. Because family labour is 'unpaid', the family as a business enterprise had the advantage that, during times of stress, outgoings can be reduced quickly. Without this, it is doubtful whether many of the smaller businesses could survive.<sup>3</sup>

The fact that private business makes use of this particular economic input has another important effect—without sons to take over the family business, not only is there no incentive to innovate, it is simply impossible. Each family, then, reacts individually to 'modernisation' because each has its own resources and requirements. A family with several sons and their future families to provide for will react differently from a family with no sons, or one with more daughters than sons. Property may be bought with surplus cash, when the market is favourable, to provide dowry when it is resold at a future date; it may be mortgaged immediately to provide capital for business expansion; it may be left alone to provide a little nest egg for the future if, say, there is any 'difficulty' over sales tax. A large scale scheme of planned development, requiring many business families to expand large amounts of capital simultaneously runs contrary to this régime of family needs and resources.

#### LEADERSHIP AND AUTHORITY

The family and the firm are regarded the Mahajans as synonymous. As Fox puts it "in Tezibazar there are 'business families' not family businesses" by which he means that the Baniar (traditional merchant castes) retain the majority of business concerns" (Fox, 1969, p. 143). Although many firms are legally organised and registered as partnerships as dis-

cussed in chapter seven the constituent partners are usually from the same patrilineage and resident in the same household. A good example of this is the 'five firms' run by Prem Chand Sogani.

Each family has a recognised pattern of authority, major decisions being taken by the head of the household, who is usually the oldest living male member. He takes the title of malik which signifies his authority. His wife is known as the malkin and holds a similar position of authority over the women of the house. Mahajans assert that women are ignorant and know nothing of business but nonetheless older women may wield quite considerable influence behind the scenes. So, for example, when the firm of Chirgan Lal—Gulab Chand showed signs of foundering due to a series of bad judgements by the malik, Chinni Chand, his wife took control of the purse strings. Through the sons she started a sari business semi-secretly at home in order to save his face and tide the family over the crisis. Sons may also have considerable influence in family decisions, particularly those with college or university education, which is business-related. Frequently their opinions are taken into account as illustrated above but the malik's decision is final.

A malik who is reasonably successful in business will continue as head of his household or shop until he dies or becomes incapacitated. If however there is a serious commercial setback and his sons are mature and enterprising it often happens that the old firm is liquidated and a new concern in a slightly different line of business and sometimes a different name is established with a son at the head. This is a common way for new businesses to be started and is a technique for keeping the prestige of the patrilineage intact. In the Todwal family, Jagdish now holds the purse strings in lieu of his father Durga Lal who lost the ward seat to his younger brother Giri Raj. The honour of the

household has been avenged since Jagdish's mother subsequently defeated her husband's brother. But Durga Lal rarely sits in the brokerage business since the defeat, leaving all financial decisions to Jagdish, in consultation with Sital Prasad.

The rivalry between the two brothers of the senior generation shows that quarrels can and do occur. This was a cause célèbre, however, and rivalries are usually contained within the family and not allowed to destroy it. Because a patrilineage shares a common reputation there is a common interest in presenting a united front against a critical community. Families which have divided their worldly goods down to the last teaspoon and live separately still tend to run their businesses jointly. The explanation for the split is always that the women of the house were constantly squabbling, but the fact that many households dissolve after the death of the malik would tend to refute this. Presumably because of the intensive stress on united action, independence is highly valued and the disintegration of households has taken place to achieve increased independence of brothers from each other. It is therefore not surprising that private development, where a certain degree of independence is possible for each household, has had more success than public development, where a certain amount of independence must be surrendered. This will be demonstrated in the second section of this chapter, which discusses the failure of the public sector in economic development.

In short, private development has prospered because it centres around the family. The dynamism of business in Mandi can be explained almost wholly by the control of the family in this sector. The family possesses a good formal leadership structure and communication system. There is a strong incentive to resolve quarrels and a moral obligation of working towards a common interest. The logic of seniority amongst

brothers being attached to primogeniture and sequence of birth in a family provides for an established chain of command. At the same time as we have seen provision is made for incapacity to be managed in such a way as to minimise loss of prestige. Associated with this family structure of management organisation are a complex of behavioural traits, which maximise the accumulation of capital.

The municipality is the arena of action in public development. Would-be industrial entrepreneurs are required to come to meetings and agree on decisions about the provision of roads and their layout and what services (water and electricity) are required and how they should be disposed. The development of modern industry involves very large sums of money and external political connections. It is important that businessmen should agree on issues and priorities. Outside agencies deal with Mandi as a unit through the local representative of the Tonk Industrial Development Association and there is a feeling by outsiders that Mahajans should act as a community. However, community action is difficult and, at the time of writing, externally sponsored economic development seems to have failed. The reasons for the failure of planned economic change must be seen against the success of private enterprise. These reasons can be analysed under the same framework as above.

#### INNOVATION IN THE PUBLIC SECTOR

Brij Raj Kishore Pareek, commonly known as Anmol (meaning lucky) is generally recognised as the man behind industrial development in Mandi. He left Jaipur University about five or six year ago, having gained an M.Sc. in Chemistry for research into alternative ways of manufacturing candles, that did not depend upon imported oil-based constituents. Anmol was keen to put his ideas into practice and wanted to

put up a factory in Jhotwara, an industrial development zone just outside Jaipur where his parents live. The Director of the Rajasthan Development Corporation, a government body,<sup>4</sup> advised him instead to go to Mandi as land and labour were cheap and plentiful. Also he could get government help in the form of financial loans since Mandi is considered to be a priority area for development.

Anmol took his advice and with help from his father founded Anmol-Lakh Chand-Vimal Kumar. The Soap and Candle Factory began with an initial investment of Rs.5,000, for half a ton of wax and some moulds with which to make candles. A year later Anmol felt confident enough to branch out into soap, which required a further Rs.8,000. Now his investment totals Rs.35,000 in the candle industry and one lakh (Rs.100,000) in soap. Anmol refused to give further details but the business is believed to be profitable. His success was noticed, and Anmol, philanthropist, tried to persuade the envious to fight for industrialisation. With Padam Chand (the graduate in engineering) he founded the Industrial Union of Mandi, which later grew into the Tonk District Industrial Development Association (TIDA). There are now five resident directors all of whom are graduates and one deputy director, one of the resident directors being elected as President and Anmol as Secretary.

Although registered with the Government of Rajasthan, TIDA is a private organisation. Knowing the suspicion with which anything to do with the Administration is viewed in Mandi, Anmol tried to avoid more Government involvement than necessary, to the point of declining the loan which the RDC was prepared to negotiate on his behalf from the Rajasthan Finance Corporation (RFC), in case this might be interpreted as a pay-off from the government. However, some degree of government involvement was unavoidable, if only through the



provision of licences for manufacturing and commodity quotas. Accordingly, TIDA set itself the task of coordinating with the various Government Departments involved on behalf of would-be entrepreneurs who required information or advice. The process snowballed and in September 1974 Mandi was declared an official Industrial Development Area, so that businessmen might readily take advantage of the Government help. TIDA, liaising constantly with the Block Development Officer of the panchayat samiti (the BDO) managed to streamline the procedure for applications to the Rajasthan Finance Corporation and State Aid to Industries (SAI) for loans. Because of the 'special needs' of the area, RFC announced that it was prepared to advance 75% on fixed capital and lower interest rates to 9% per annum from 12%. SAI agreed to advance up to Rs.25,000 for small industries, instead of the previous ceiling of Rs.5,000. The RDC was also primed to give help in the form of advice to entrepreneurs on suitable industries.

The inaugural meeting of TIDA was held in the panchayat samiti in mid-November 1974, its purpose being to consider applications for financial aid and to allocate plots of land. These had been purchased by the RDC under the auspices of the Municipal Board. The area in question, previously common pasture land, lay between the bazaar and the railway line. The meeting was chaired by the Collector of Tonk with the BDO as secretary. Anmol avoided the meeting, lest it be seen as a political line up. The President of the Association is a member of the Jana Sangh (an extreme right wing party) and he was afraid that local businessmen might interpret his presence to mean that only Jana Sangh sympathisers need apply. 77 plots were available for allocation, but only 33 were ear-marked by local businessmen, although there were 55 prospective applicants at the meeting.

The problem was that many businessmen regarded the proceedings as a way of speculating in cheap land in anticipation

of rising prices, and their plans were vague. The Collector of Tonk, however, thought that the procedures for availing themselves of financial assistance were still too complicated. An entrepreneur had to register his industry with the State Registry of Industries, purchase and mortgage land as security, ask for a quotation on machinery and have his blueprint verified by an engineer before applying for an allotment. He felt that two months were perhaps not long enough for entrepreneurs to have their plans ready and in consultation with the BDO, who was in more of a position to ascertain the situation, adjourned the meeting until 30th January, 1975.

In the meantime, work continued on levelling the land, constructing access roads and laying water and drainage pipes and electric cables. The work was undertaken by the Municipal Board, sub-contracted to local construction firms, and supervised by the Resident Engineer from the Public Works Department (PWD) and the Assistant Engineer of Tonk. Half the cost of the roads was to be met with a grant from the PWD of the State, provided that the Municipal Board would find the remainder of the money.

The meeting to discuss finalised plans was held in Tonk on the agreed date. Only six businessmen attended the meeting, all from industrialist families. Three of the applications were merely requests to shift existing industries to a better location nearer the railway line, (sodium silicate, soap and candles, oil-extraction). The remainder had not yet reached the blueprint stage (a smelter/foundry, ceramics, and dyeing). Basic raw materials for the foundry and ceramics would have to be imported. There is no tradition of skilled labour in the region for metalwork, making handglazed pottery and tiles or for hand-blocking textiles. Unskilled labour is also in short supply locally. In any event these industries

would not be viable in this location because of skilled competition from Jaipur City, whose historic specialities include these self-same fabrications. It was clear that plans were ill-conceived, derivative, and lacking in essential groundwork.

Since then there has been no further talk of industry coming to Mandi. In the late seventies a Punjabi Brahman graduate from Jaipur tried to start a carpet (durri) weaving factory but it failed through falling world demand for 'ethnic' merchandise. He has now emigrated to America. Anmol disappeared shortly after the meeting to get married, stayed in Jaipur for a month and now devotes all his time to his own business. He is disappointed and disillusioned and feels very bitter. "They prefer to stick to the old way of doing things", he complained. "They know how to take advantage of other people but they don't know how to take advantage of something when it is offered to them. They are too busy looking for the catch. There is plenty of ability in Mandi but in the wrong direction".

At the time of writing TIDA's grassroots development scheme seems to have failed. Far from jumping at the opportunity, the businessmen of Mandi seemed loathe to participate. Public opinion generally conceded that should any factories be erected it would not happen for many years and that the interested parties would be the same as before. I shall try to suggest a few reasons why this should be the case.

#### THE AIM OF INNOVATION

In the same way that family businesses innovate to maintain the family there is a general feeling amongst Mahajans that the 'modernisation' of Mandi is laudable, worthwhile, and necessary. Although there is some sense of common purpose,

however, this does not over-ride the first priority of merchants—their families. Local businessmen feel that large scale development might not necessarily be in their own interests and that someone else might benefit at their expense. Mahajans assume that everyone works out of self interest and thus the protagonists of a policy must stand to benefit personally. As Bailey (1973, p. 17) suggests, the pattern of innovation in any community will be influenced by the arena in which the innovators seek their prizes. Mandi is a relatively isolated place, geographically, and those families which play a leading part in modernisation still largely compete for prizes within the bazaar. This internalisation of competition has restricted economic development in the public sector.

Firstly, people living in each other's pockets have many occasions for friction. Though hostility tends not to emerge in violent conflict, it creeps out in the guise of gossip, fear of witchcraft and sorcery and the evil eye. In such situations harmony is maintained by a facade of politeness and feigned ignorance of each other's private views. When the same people meet repeatedly, though in different socio-economic roles, the simplest policy for a quiet life is to avoid controversy, lest disagreements in one sphere overflow into others and make social life impossible. This is underlined by Mahajans' admonitions to "talk sweetly to your neighbours", "live and let live" and so on.

A large-scale scheme of planned development is a challenge to traditional methods of keeping the peace. Decisions are demanded and public decisions bring private animosities out into the open. As in all small communities, decisions are not, and indeed cannot, be made purely on the 'rationality' of the situation but on previous lines of friendship or enmity. Again, the plans of TIDA demand co-operation, but

in Mandi friendly relations are not maintained by working out the bases of conflict but by minimising opportunities for disagreement and talking away disputes—as discussed in chapter four—instead of solving them. Community action is thus precluded.

Secondly, because business families compete with each other, they are jealous of each others' success. Conspicuous accumulation of wealth tends to be equated with dishonesty, because to attribute the success of another family to hard work and business acumen is to denigrate the capabilities of one's own. Stories circulate that the wealthier businessmen gained their wealth through adulteration of goods, cheating over prices, moneylending, hoarding, black-marketeering and chicanery with local government officials. Such accusations do not discourage the rapid acquisition of riches but they do lead to its concealment when accumulated.

Those involved in the development schemes are especially singled out for criticism. For one thing it is less easy to keep success secret than in the private sector. To branch out into industry, even small-scale industry, requires the expenditure of capital and this has the side effect of advertising wealth. Because they are in the public eye and break customary patterns of behaviour industrial entrepreneurs are highly susceptible to gossip and scandal. It is said that they visit prostitutes and non-vegetarian restaurants on their business trips and purchase illicit liquore. The truth of the stories is less important than the fact that they are believed. So, there are few prizes to be gained by those who hazard their money and reputations on public development. Where a malik is not only responsible for his own past and present actions, but also those of his family firm, and embodies the honour of his kin, which in the case of certain patrilineages like the Todwals amounts to

about 150 living individuals, as well as his ancestors; there is plenty of mud to sling.

In such a community, the best policy is to avoid attracting attention unduly. It is not surprising that social interaction is limited to the household as much as possible and that the house and the shop are rigidly compartmentalised. For this reason, too, potential industrialists are persuaded to limit their entrepreneurial activities to socially approved and legitimated avenues, in order to maintain stability. Flamboyance might bring criticism, envy, and perhaps the evil eye and worse and generally make life unbearable. Of course, there are exceptions: Gujar Mal is proud of his role as an innovator and does not dispute when accorded the title of a leading malik. Having said this, it must be added that he does not command the respect which the seths receive.

#### RESOURCES

As TIDA is a grassroots development scheme, depending upon self-directed motivation, entrepreneurs are expected to furnish their own capital, supported by grants from the Rajasthan Finance Corporation and State Aid to Industries and with back-up from the Public Works Department in the case of roads and services. Most businessmen appeared to decline the offer of financial assistance, however, saying that they preferred to finance operations themselves or borrow from other businessmen. Part of the reason here is that financial help is given in a complicated manner, both the RFC and SAI requiring bank guarantees, two other, personal guarantors and property to be mortgaged as security. The bank guarantee is the stumbling block, since the bank must go through all the books of the family firm in order to satisfy the concerned government departments and few Mahajans think this is a good idea. As shown in chapter five most Mahajans keep

two sets of books, one to keep track of their own transactions and the other to show the concerned officials. On the whole, they avoid showing them all, since sales tax is computed from the total amount of annual sales which is recorded in one book. It is second nature for Mahajans to be secretive about their financial affairs and they are suspicious of anyone who shows an interest in what is in more ways than one their 'family business'.

Though Mahajans prefer to finance themselves, if possible, they are also afraid of tying their capital in what the more conservative businessmen regard as wildcat schemes. Roop Chand, who is a partner in the Hemant Oil Mill, expressed it this way: "What good is a textile factory when you are in a corner? All that can be done is to sell textile machinery to people who are trying to sell you theirs". That is, Mahajans prefer to keep their capital relatively fluid and invisible, investing in urban sites or property which can be rented out or or sold if necessary. There is typically more demand for property on lease than the market can supply in the main bazaars. To invest capital in a fixed investment which is peripherally located and not readily convertible into other uses is regarded as a financial strait-jacket.

The third possibility, obtaining credit from other businessmen is similarly problematic. Mahajans are unwilling to lend very large sums of money over long periods because this also limits their financial flexibility. Mortgages will only be underwritten if the two parties involved have collaborated closely over time and in a multiplicity of contexts such as caste associations or religious and voluntary organisations. The wealthier Mahajans in Mandi as in Pallavaram (Mines, 1972, p. 58) are reticent about taking loans of this magnitude from their peers. Their prestige derives from a reputation for economic independence and large debts, even

when economically valid, undermine their public image of solidity and stability, assuming that they become known. In addition, since land registration has never been properly completed within the Notified Area, this inhibits the mortgaging of property between less than close associates because of the risk of long drawn out court cases to determine ownership. Hence loans using property as collateral are discouraged, thus exacerbating the problem of raising capital, and seriously limiting the choices of investment strategy.

#### LEADERSHIP AND AUTHORITY

Although the Municipal Board is regarded as being in authority over municipal affairs by the State Administration, in Mandi its moral authority is a matter of dispute. Municipal elections are held approximately every five years. There are 11 wards within the Notified Area which return one Board Member each, and two lady Members are co-opted unless elected. The Board Members elect the Chairman from one of their number (though at one time he need not have been elected to the Board). During fieldwork the Chairman, a Chamar (shoemaker) was selected from the Swatantra Party since it gained the majority of seats on the Board.

These 13 men and women control the annual budget of the Municipality which gives them a say in development decisions (the provision of roads, water and electricity). Their authority in this sphere is ostensibly increased because development in a backward region is the concern of the State, which therefore deals with the entrepreneurs of Mandi through the official channels of local government. At State level the Board Members are expected to provide liaison between local entrepreneurs and the Rajasthan Development Corporation, Rajasthan Finance Corporation and State Aid to Industries via the Block Development Officer and the Collector of Tonk,



in consultation with TIDA.

However, at local level, all those who enter politics are thought to be dishonest. Mahajans believe that no one enters public affairs for the good of the community. Politicians must be out to make a profit for themselves, otherwise why spend so much money on the hustings? Success in elections requires the expenditure of huge sums of money. Prem Chand makes no secret of the fact that he spent over Rs.30,000 only to lose, which probably means that this is an underestimate. Councillors too are expected to forward the interest of their own factions or political parties at everyone else's expense.

Public figures are basically suspect, therefore scandal is easily believed. By virtue of being Members of the Municipal Board these men, and women, place their reputations in jeopardy and can easily be accused of political dishonesty and favouritism. Although the Mahajans are unable to agree on positive plans for development, they can easily unite together in opposition each with his own specific criticism or grievance. A shrewd politician hence does nothing and it is hardly a coincidence that the Chairman, Narayan, who has taken no action on the development issue and made the baldest of public statements on the issues involved is considered to be an exemplary public figure.

It has been argued that council participation can remove many of the economic and social risks accompanying development (UNICEF 1982, pp. 22-23). By its backing it indirectly enlarges the area of structurally permissible behaviour since it is a reference group linking traditional life-styles with the modern era. Group decision-making within socially recognised bodies is nonetheless, as shown in chapter four, a culturally sanctioned technique for modifying and ameliorat-

ing the actions of individuals who act without the sanction of local approval. Could not this be extended to cover the novel behaviour of the industrialists whose developmental activities are also classified as deviance?

The problem here is that, unlike some South Asian villages, there are no groups outside of the Mahajan household with sufficient solidarity, outlook, leadership or communication systems to push through development schemes. The Municipal Board cannot fulfill this function. Panchayats are called to mediate in problems which have arisen rather than to take concrete, forward-planning measures. The familial organisation and capitalisation of commercial concerns restricts the activities of trade organisations. Business associations meet sometimes to discuss common problems and to regulate business practices but decisions are not recorded. Meetings are arranged by invitation and the most respected person present 'takes the chair'. However, regular meetings are not necessary and they are called to resolve difficulties which have arisen rather than to plan and take decisions with a forward time perspective. Caste associations and religious and voluntary organisations similarly take a different focus, in their goal-orientations towards social and religious welfare.

It is possible to discern class groups emerging, in the formation of an élite class of industrialist innovators. Their status in the eyes of the community is founded on prosperity and their nation-oriented transactions and social networks. Every family would like to emulate their wealth and it is the sheer speed of accumulation which is so impressive to other households. But although the status and power of the innovator have been considered by many writers to be a necessary precondition for the acceptance of an innovation, the activities of the entrepreneurs have affected most members

of the Mahajan community without leading others to follow them.

The reason for this is the Mahajani attitude to familial prestige and status. Prestige and status have their roots firmly in wealth but all wealthy individuals do not wish to become public figures. This is a common attribute amongst merchants and traders and is so characteristic that it must be a cultural stereotype. Indeed they avoid the public status which their wealth could confer by, for example, putting up a factory or entering public life. Many Mahajans perceive greater advantage in standing in the sidelines, purchasing the power and influence of others rather than entering the lists themselves. During fieldwork I was introduced to half a dozen men, all described as "the wealthiest and most influential businessman in the community" none of whom had been characterised as important figures when I arrived. Unlike the Todwals, Tongyas, Jhalaunas and so on their names would mean nothing to non-Banias. Their status amongst Mahajans exists quite outside the general ranking system usually professed. None of them have served on the Municipal Board and none of them as far as I am aware would wish to do so.

What is the nature of this sort of prestige? Partly it consists of the 'simple' prestige of owning shops and houses and being rich. It also consists of conformity with valued patterns of behaviour as described in chapter four. Of course, some rich Mahajans have become less content with amassing capital and seek public acclaim. Padam Chand complained that his father had spent two lakhs (Rs.200,000) on the ice factory where one lakh would have been sufficient, because he wanted an impressive building to help the election campaign. Apparently he can afford to risk his prestige amongst the Mahajan community because he is playing for higher stakes and before a wider audience. And indeed this is a very real risk. Mahajans who take an interest in politics are nicknamed dadaji

by other Mahajans. It means 'grandfather' but has all the overtones of a 'godfather' in the Mafia. Less wealthy individuals prefer to play safe. If there is a bad year and a malik suffers a grave loss he can nearly always get financial help from friends and neighbours, provided that he has banked enough social credit with the Mahajan community. This is not the case with a wealthy man without prestige. Thus the prestige which is rated so highly amongst Mahajans is forfeited by becoming an uncha or 'bigshot'.

Though an élite may be discerned, it in no way functions as a group, being deeply scored across by family interests. Nor is any single family/firm large enough to dominate events. Only one group draws members from different families and meets regularly, composed of the adolescent boys and young married men who form the ad hoc Ramlila Committee. They gather together in the evenings in the dhabbas by the Bus Stand, occasionally making an excursion to the cinema at Tonk. This group is less open to criticism than others because young men are expected to be modern in outlook. Although they are in a favourable position to contact new ideas, they do not have the authority or control over resources to bring 'modernisation' about. In a word, they are too young to provide leadership in a community which is essentially gerontocratic. Nor are they specially interested in the issues involved in development, being primarily a leisure group.

#### SUMMARY

In this chapter, I have attempted to compare the vitality of private gain with the sluggishness of economic development which is externally directed (in part). In short, concerted, community decision-making is precluded because the interest and independence of the family is felt to be endangered. Large scale, planned development is impeded by the wariness of

others' motives, jealousy of other families' socio-economic success, gossip and scandal mongering which characterise relations between local family firms. It is also hindered by the suspicion of politicians and everything to do with politics, almost at times amounting to paranoia, which is a social reflex of the mutually mistrustful Mahajans. Few families are prepared to provide leadership, except by unwilling example, and there is a lack of accepted authority or leadership structures which might remove many of the perceived risks, both economic and social, tangential to proposed development programmes. Conspicuous success is harshly criticised as self-assertiveness and those who have made what is regarded as too great a show of wealth—especially newly acquired wealth—are thought to be deviant or dangerous.

By contrast, the reasons for the success of modernisation in the private sector centre around the efficiency of the family as an economic organisation. The family shares property jointly and hence has the incentive to keep quarrels under control, and to work together purposefully towards jointly agreed goals. Property provides the capital and security to start new ventures and because each manages its own resources, families can react individually to change, investing according to their individual needs. Lastly, the family uses cheap labour, its own members, which results in managerial flexibility and a high rate of savings, and its genealogical expansion or decline provides the stimulus or deterrent to new endeavours.

How much stress should be placed on the fear of becoming entangled in bureaucratic procedures, government regulations and external interference, that is to say extrinsic factors, and how much on Mahajan family pressures is a difficult question to tackle. Anticipated loss of independence, more than

anything else, would seem to make Mahajans hesitant to become involved with external political processes. Doing business is valued above all other occupations because it permits maliks to be their own boss. An important reason for their attachment to business is therefore the independence it gives. As one of the Muslim merchants of Pallavaram says "a shopkeeper does not have to battle seniority and the whims of his employer for a raise" (Mines, 1972, p. 107). It is worth reiterating Bajrang Lal's remark that "This is a kingly job. One can sit and do one's own work without needing to ask anyone anything". Allied to this consideration is the possibility that industry on a public scale could lead to greater importance being given to educated/modern/trained younger men in town affairs. Though this, as yet, is implicit rather than explicit, there can be little doubt that elders fear the loss of initiative in leadership to them.

## CONCLUSION

In this thesis I have endeavoured to organise ethnographic data concerning the traditional merchant castes of Rajasthan in such a way as to make intelligible the negative response to planned economic development in a Rajasthani bazaar town. Since my aim has been the translation of culture, in the sense that a key focus has been to show how certain concepts function in stimulating or hindering change according to context, sociological jargon has been kept to a minimum. It is contradictory to assert that the goal of the field researcher in anthropology is cross cultural understanding, if the results of subsequent research are incomprehensible except to area experts. This consideration takes on an added impetus when research is undertaken on a topic which may possibly have relevance for scholars and others who are interested in the process of economic development and social change.

On the whole I have reversed the economists' usual techniques and have tended to underplay the quantification of costs and benefits in order to bring social and cultural constraints upon planned change to the forefront. Becker (1976, p. 5) asserts that "The combined assumptions of maximising behaviour, market equilibrium, and stable preferences, used relentlessly and unflinchingly, form the heart of the economic approach as I see it" and he is not alone in looking towards social anthropology to supply data on what the stable preferences in a cultural context are and how they are likely to change.

In the introductory chapter, the question was posed of whether socially sustained concepts (and therefore, by implication, steady as opposed to static preferences) control

innovation and inhibit perception. It was suggested that concepts are as likely to hide reality as to reveal it and that masking it may be part of their social function. Therefore there is a need to interpret concepts against the background of a known social context. Accordingly, by way of making a beginning, the general ecological features of Mandi and its region were discussed. It was shown that trade and commerce were essential to the development of the settlement. The natural possibilities of the environment have encouraged long distance trading in food grains and spices. In the last decades, commercial functions have been augmented by the growth of small-scale industry in the form of vegetable oil mills, subsequent to the introduction of groundnut cultivation. Another consequence of the town's specific locational characteristics has been a disturbed political history and unfamiliarity with modern electoral processes at the time of independence. It was argued that uncertainty about the role of politics and politicians, coupled with a perception of governmental functions as dangerous, have been responsible for a negative evaluation of external administrative agencies.

The following chapter discussed the demographic features of the town. The rapid growth of population, which has more than doubled in the last thirty years due to incoming migration, was indicated. This has resulted in the proliferation of caste and ethnic groups and of religious and linguistic affiliations, the Mahajans or traditional merchant castes forming the dominant social category. The urban caste framework was delineated and its implications for the customary patterns of patron-client relations (the jajmani system) described. It was suggested that the increasing heterogeneity of the urban population has resulted in the commercialisation of traditional occupations and impersonalisation of social life which is locally portrayed as related to the Mahajans' dominance in municipal affairs. An outline of the



economic organisation of the bazaars substantiated the theme of Mahajani dominance. Their concentration in the most lucrative business enterprises and control over town property, particularly in the prestigious central area, were demonstrated. Mahajans are not only the biggest employers of labour but even as employees have access to better economic opportunities as accountants and managers. Moreover, not all newcomers have prospered equally and success in business was linked to the degree of connectedness with the network of credit relations in the bazaar, controlled by Mahajans.

The fourth chapter discussed the processes of community formation amongst the traditional merchant castes. It was argued that the structure of caste and kinship organisation provide a blueprint for the integration of migrant Mahajan households and participation in the activities of the ritual and voluntary associations makes this operational. Thus a category of disparate though similar castes becomes transformed into a moral community, taking its identity from shared cultural traits, such as language, diet and dress, and norms of behaviour characterised by sobriety and frugality, including the willingness to be guided by the moral authority of the seths, or elders.

Through their mediation in local disputes they demonstrate leadership. The seths' authority derives in part from their extreme wealthiness, which is believed to be the God-given reward for meritorious behaviour. Two key concepts were analysed, specifically labh and dharmā, and these were used to construct a model of righteous action which finds its apotheosis in the image of the seth. In the fifth chapter it was concluded that the seth, as a concept, stands midway between two historically sustained models of mercantile behaviour, each logically presupposing the existence of the other. These consist of the kanju (miser) and the

nawab (profligate). The aspiration of Mahajan families is to avoid these two extremes, endeavouring instead to establish and maintain connections with other Mahajan families which will persist through time and be mutually beneficial. In this way fiscal advantage is transformed into social and economic credit and, ultimately, religious merit.

The degree of fit between indigenous business ideology and the actual organisation of business was discussed in the sixth chapter. It was argued that correspondence was not total and that industrial entrepreneurship, taking the form of investment in oil mills, posed a challenge to the authority and leadership of the seths. Other families, while respecting them for 'making good', are suspicious of the industrial entrepreneurs on account of their wider social and economic ties and involvement in politics. In a society which equates wealth with merit acquired through morally consistent behaviour, their wealth can be alternatively represented as speculation, which is negatively valued because of its instability. Therefore, although the industrial entrepreneurs are accorded some status, the prestige accruing to them is of a different kind from the seths. This is symbolised in the designation of entrepreneur-politicians as halki, meaning lightweight or flimsy, as opposed to asli, implying the genuine article or 'real thing'.

In the seventh chapter, the need of the industrial entrepreneurs for increasingly wider connections was shown to be manifested in changing patterns of marriage. It was argued that, in a situation of ambiguity concerning the arrangement of marriages, related to status ambivalence, Mahajans are competing to make their own justifications for making choices prevail over each others' definitions. Further consequences of the familial organisation of business were

shown to be the fact that genealogical expansion or decline is the prime factor in the development of the firm and that a particular pattern of social relations prevails between households, which precludes interaction outside predefined social contexts.

Negative response to externally proposed development plans was contrasted in the final chapter, with the vitality of self-generated private enterprise, thus permitting an evaluation of the validity of socially sustained concepts as explanations for the acceptance or rejection of change. It was shown that the cultural constraints on receptiveness to further industrial development, centred on the town in the public sector, acted as positive incentives towards development in the private sector, and therefore the need to interpret concepts in a specific context, where the attitudes of people can be assessed and compared with actual behaviour. I conclude with reference to a remark made by Dumont (1970, p. 20): "Man does not only think, he acts. He has not only ideas, but values. To adopt a value is to introduce a hierarchy and a certain hierarchy of things, ideas and people is indispensable to social life".

To put that another way, when something new comes along, people make guesses about its meaning by setting it into an already existing matrix of concepts, attitudes, values and beliefs. Taken at face value, this seems to be an assumption that ideologies are eternal, that they are not subject to modification by experience. It would clearly be a mistake to get stuck in that rut again, so we need to think about the way in which concepts might change. It seems clear that to understand response to situations of change we need to know not only what hierarchy of values links the concepts in question, but also the nature of the encapsulating milieu, making one interpretation more

important than another at any point in time. As Bailey (1974, p. 56) points out, cultural items are differently valued at different levels in the hierarchy, each higher level apparently superseding the one below until one reaches 'God's will' or 'business is business' or 'my family against the world'—whatever happens to be the trump card in that particular culture. However, all of these, including sometimes what had appeared to be fundamental moral imperatives may be subject to trading-off calculations as people sort out their preferences. The process of redefining ideology must nonetheless be a lengthy one, the outcome not just of experience but also of social conflict, as people compete to impose on one another their own definitions of what is happening and what ought to be happening.

## FOOTNOTES

### INTRODUCTION

1. Recently the economic approach has become even more abrasive particularly in the Chicago School: "Prices and other market instruments allocate the scarce resources within a society and thereby constrain the desires of participants and co-ordinate their actions. In the economic approach these market instruments perform most, if not all, of the functions assigned to 'structure' in sociological theories". (Becker, 1976, p. 5).
2. Though, to be fair, "No doubt it is easy to criticise the blinkered approach that so many economists and planners still display towards economic development. It is, however, much more difficult to work out a reasonable multi-dimensional approach". (Epstein, in Epstein and Penny, 1973, p. 244).
3. In economic theory however, entrepreneur is the name given to the owner-manager of a firm. The functions of the entrepreneur are to: (a) supply the capital of a firm; (b) organize production by buying and combining inputs; (c) decide on the rate of output, in the light of his expectations about demand; and (d) bear the risk involved in these activities, risks which inevitably arise out of the fact that resources must be committed to production before the output can be sold. Profits constitute the income of the entrepreneur. Like the firm itself in economic theory, the entrepreneur is a theoretical abstraction, although he does have an empirical counterpart in the many small firms in the economy (Bannock, Baxter and Rees, 1972, p. 141).
4. Throughout Northern India, there are many versions of this, but in Eastern Rajasthan it is told with specific reference to the trading community of Mandi. The local version is this:

Once there was a merchant called Lallaji who was caught red-handed at cheating and taken before the magistrate. He was found guilty, but the magistrate was merciful and asked him if he would prefer to be hanged or executed by firing squad. The merchant replied: "Just a minute, I'll ask my accountant".

5. The terms 'public' and 'private' are relative. In an almost completely free-market economy, such as India, the term 'public' popularly means anything that the government has a hand in. In a mixed economy, such as Britain, the 'public' sector consists of those enterprises which the government actually runs e.g. the National Coal Board and British Steel Corporation. Thus while British Petroleum, which is 48.1% owned by the British Government, it is not regarded as being 'public sector' in Britain, in Mandi it would be a public enterprise. Concomitant with these standpoints, in Britain, a certain amount of government concern with the conduct of business (e.g. conforming with food and drugs acts or weights and measures regulations) is regarded as not only unavoidable but positively beneficial. In Mandi any form of government interference is regarded as unnecessary.
6. Put simply, the central objective of economic development is to raise the living standard and general well-being of the people. This has several ingredients—increasing the importance of industrial as opposed to agricultural activity, migration of labour from rural to industrial urban areas, lessening dependence upon imports of producer and consumer goods and as agricultural and industrial raw materials as exports, decreasing reliance upon aid to provide funds for investment. Another group of ingredients consists of social and political reforms—revision of land tenure system, greater democratisation of political systems and so on, though these are by no means inevitable.
7. The scope of perspectives on entrepreneurs ranges far beyond the economic realm, and under the wider context of the term is included a whole gamut of interpretations, which shade off into political anthropology—action sets, quasi-groups and networks, patrons and brokers, and so on. This is implicit of course in the transactionalist approach but limitations of time and space preclude any more than a mere mention of it. The same holds true for the large body of literature on redistributive entrepreneurs and 'big men' in Oceania.
8. Rational behaviour, from the economists perspective, is a certain type of learned behaviour which approximates closely to maximising, a function in which a limited number of quantities and prices are the variables. The economic agent or actor has learned

to adjust the quantities he consumes or produces in accordance with the change of relative prices and of his own aggregate or anticipated income. How he actually achieves this provided that he does, is not actually relevant to the economists enquiry. The fact that many primitive (and not so primitive) people fail to do this has occasioned the formalist/substantivist controversy concerning the transferability of economic analysis to non-western situations. Economists these days are widening their analyses to include human behaviour quite outside their traditional fields, for example, "the quantity and quality of children". See Becker, 1976 for a summary of recent approaches.

9. The word 'ideology' tends to have two senses in the social sciences. The first set of meanings relates to a more or less social set of ideas and values, beliefs and attitudes. Therefore, it is possible to speak of the ideology of a social system or of the ideology of just one aspect of a social system such as religion or kinship. The second set of meanings relates to a manner of thinking characteristic of a social class, representative of their partisan interests. Hence this is related to the ideas of politico-economic theory. The third set, the science of ideas, particularly of ideas at the basis of some economic or political system has fallen into abeyance. The rationality of Calvinism as an ideology properly belongs to this last set. For a fuller examination of current terminological slants see Dumont (1972, pp. 73-76 and 311-312) who observes in passing that "the fact is universal: if it reflected only the data, and reflected it completely, the system of ideas and values would cease to be capable of orienting action, it would cease to be itself". (Dumont, 1972 p. 75).
10. R. H. Tawney in Max Weber's The Protestant Ethic and the Spirit of Capitalism (trans., Talcott Parsons), foreward pp. 1-3.
11. Harris comments acidulously: "What now passes for wisdom amongst my colleagues is that science is a western disease; that alternative ways of knowing should never be compared; that Carlos Casteneda's hundred foot gnats are as real as anything else; that all descriptions of social life are fabrications; that it is useless to search for objective truth; that empirical research is nothing but a dirty bourgeois trick". Harris, New York Times, November 26, 1978.

Harris makes the same point though less acerbically in Cows, Pigs, Wars and Witches: The Riddles of Culture - "why many customs and institutions seem so mysterious is that we have been taught to value elaborate 'spiritualized' explanations of cultural phenomena more than down-to-earth material ones". (Harris, 1977, p. 12). The fact that this book is aimed at the popular market does not detract from the validity of his criticism.

12. Very much more (and possibly more informative) work has been instituted by historians or completed with an historical perspective, notably Timberg (1971, 1973, 1978), Kling (1966, 1969), Bayly (1973, 1975). Mention should also be made of Lamb's studies of merchants in Bombay (1955, 1959) and also of Gadgil (1959), Moreland (1920, 1923), Anstey (1929), Jain (1929) and Buchanan (1934). Millman (1954) and Coren (1967) to my knowledge have never published any part of their dissertations.
13. Moris (1981) has itemised no less than twenty of the problematic attributes of Third and Fourth World administrative subcultures which various writers have mentioned as systemic weaknesses. Moris notes however, that in stressing the greater efficiency of western management there is a tendency to overlook inconvenient examples, like the Cosa Nostra (deviant but highly effective) and whole bureaucracies which embody what would otherwise be judged as non-western concepts. See also Luigi Barzini's The Italians for a fascinating review of the Italian case.
14. See for example Coren (1967), Benedict (1968), Fox (1969), Geertz (1963), Hazlehurst (1968) et al, the usual point at issue being the problem of effective decision-making and authority structures. Gupta 1976 and Agarwal 1975 however suggest that the family has a greater incentive to solve personality difficulties and to keep quarrels to a minimum since the family shares property jointly. There is a definite tendency to assume that the family firm will wither away as economic development proceeds, to be replaced by more 'rational', bureaucratic organisations. This has been challenged by Cameron (1977): "Turning an organisation man into an entrepreneur". It is a pity that her interesting ideas on family business have been confined to a review article on the "Small Firms Management



Service at Sheffield Polytechnic" published in The Financial Times, 14.11.1977.

15. So far I have avoided using the word 'caste' which may perhaps seem strange in the context of a social anthropological study dealing with South Asia. The omission is deliberate, as this is emphatically not intended to be yet another study of the caste system. To introduce the issue of caste at this stage would be to raise a number of 'red herrings' which will be better dealt with in chapter two, which deals with the social context of the study.

## CHAPTER ONE

1. See Schrader, 1968 for further details on the complicated process whereby Rajputana became Rajasthan. Rajasthan means 'land of the kings' and Rajputana 'land of the kings' sons'. The Rajputs are the princely caste and are divided into ranked clans and lineages. Thus the royal Rajput clans rank higher than the commoner and among the former the lineages of eldest sons rank higher than those of younger sons—or cadet branches. As a consequence of status differentiation based on descent lines, the Rajputs also developed marked territorial gradations, with the royal Rajputs concentrated in the state capitals and the junior lineages dispersed to the periphery. Hence the autonomous princely states were subdivided into an even greater number of semi-independent princdoms and within these an even greater category of Rajput jagirdars (landlords) who were given guaranteed estates with some governmental powers. Chief among these were the right to collect tax revenue from his jagir in return for payment of a set fee and/or services, such as mustering an army.
2. I have avoided being specific in the possible forlorn hope that the identity of informants might be protected. Clearly this is more difficult to effect in the case of a small town than a village, for there are only six urban centres in Tonk District. Some merchants asked me to mask their identity. It has also become an anthropological tradition to do so. Moreover, the use of a pseudonym underscores my contention that the events of the mid-seventies in Mandi might very well have taken place in other small towns in India, though with appropriate adjustments for local ecological determinants. 'Mandi' means a market or market town.

3. The desert areas of the world are characterised by specific types of economy and society centred upon long distance trade, dependent upon the fact that the 'Hot Deserts' separate different cosmic ecological zones (Cohen, 1969b, pp. 5-7, 17-20). Surrounding these deserts, the great cities of history grew in response to the risky and therefore profitable trade engendered by the exchange of commodities between the tropical and temperate worlds. Their location and situation was determined by caravan routes through the deserts, the exact demarcation of which depended on water.
4. Thus Pettigrew has argued that the Punjab has more in common with Pakistan and the Middle East than other parts of South Asia and with certain reservations I feel this may cover Rajasthan as well (Pettigrew, 1975). Rajasthan looks west, rather than south or east in its primary cultural orientation, especially since the closure of the border with Pakistan—which has made smuggling even more attractive a proposition. Rameshwar comments "murderers, kidnappers and smugglers moved with impunity across its sandy wastes" (Rameshwar, 1962, p. 124). See also Pehrson (1966) and Ahmed (1980) for a discussion of the patron-client relationship between naik and hamsaya (tribal protector and dependent trader, usually Hindu or Sikh) in the NWFP and Baluchistan.
5. Sleeman's pursuit of the thuggees (religiously inspired robbers and murderers) were concentrated in the Jaipur (Jypore) area and he specifically mentions the vicinity of Mandi as a centre of thug operations (Sleeman, 1933, pp. 54-55, 109-11 & 154). Judging from operations elsewhere it seems feasible to speculate that merchants in the unit of study advanced money for thug expeditions and act as receivers for stolen goods, occasionally providing shelter and protection. Although the thugs were rounded up over 100 years ago, dacoits continue to be a problem. During fieldwork, the town was raided twice by armed robber gangs.
6. Over the years 'Marwar' has acquired a variety of meanings. The first is that of language. G.A. Grierson asserts: "The western dialect (of Rajasthani) Marwari, is by far the most important. It is the vernacular of Marwar, Mewar, Bikaner, and Jaisalmer and its speakers, who are enterprising merchants and bankers, have carried it all over India. It is the most typical of the Rajasthani dialects and has a copious

literature, written in a peculiar character, the aspect of which is familiar to every official who has had occasion to inspect the accounts of native bankers" (Grierson, 1909, pp. 367-68). Implicit in this statement is the geographic connotation whereby everyone whose family originates from Marwar is called Marwari, regardless of caste. Since the middle of the last century however, Marwari has come to be applied to not only members of a restricted group of merchant castes, who are native to Marwar (Mahajans) but also to any trader (Bania) from Rajasthan and, in some cases, whose descendants are native to the entire area which was once controlled by the Rajputs—Punjabi, Gujarati or even Uttar Pradesh Baniyas may be called Marwari or Maru (See Millman, 1954, pp. 3-7).

7. This may be one reason why Rajasthan has been almost completely neglected by western anthropologists, with the sole exceptions of Carstairs (1961) and Stern (1977). The few Indian anthropologists who have conducted fieldwork in the region have all concentrated on Southern Rajasthan. All of these (except for Stern) are natives to the south: Carstairs, Chauhan (1967) and Atal (1968) from the vicinity of Udaipur and Gupta (1974) from Kotah.
8. These people are known locally under the generalised caste name of Gujar but include a number of other nomadic and semi-nomadic communities like Banjaras and Gaduliya Lohars. The Gujars originate from Kashmir and prior to independence and partition used to practise transhumance between the hill regions of Pakistan and Punjab. In Western India they are closely associated with the Rajputs and usually claim descent from them. Though in sadly reduced circumstances, they have now settled in the region and have mostly abandoned their pastoralist culture. Nonetheless, enough animals are still kept to make disputes between farmers and herders a regular feature of panchayat samitis.
9. Millman comments that the early history of Marwar is obscure but "from the time of Chandra, AD 1382, the actual conquest of Marwar by the Rahtors, (sic) a clan of Rajputs may be dated". (Millman, 1954, p. 3; see also Rajputana Gazetteer, II, p. 230). Briefly, we may say that Mandi's historical experience is typical of the region as a whole, one of conquest and reconquest.
10. The present organisation of local government in India stems from several approaches to revenue collection.

It is only in the last 30 years that local government in Rajasthan has meant any more than the imposition of taxes by a remote political power. Moreover, the superimposition of local decision-making machinery and modern nation-wide democratic processes upon the revenue hierarchy has engendered ambiguity. Mandi possesses the paraphernalia of both rural and urban governmental sectors.

11. Judging from literature on comparable market towns, Mandi must be divided into at least two mauzas but it was not possible to get any details concerning this from the patwari. Nor was detailed information available concerning taxable houses or property as the records were not available for scrutiny (See Fox, 1969; Carter, 1974).
12. Executed at local level by the Rajasthan Panchayat Samiti and Zilla Parishad Bill, August/September, 1959; Amending Bill March, 1961.
13. See B. Maheshwari "Two years of panchayati raj in Rajasthan" in Economic Weekly, May 26, 1962, p. 848.
14. And also contraband of various sorts no doubt. Linguistic problems were compounded by an unwillingness to cooperate, hence no further data is available on this type of long distance trade.
15. Why the traditional merchant community should be so successful in business is a difficult question to tackle. Fox asserts that an important factor is the attitude of other castes towards business, which they consider to be anti-social, degrading and parasitic. The Banias of Tezibazar say that it is in their blood. He comments: "Other castes do business because they have to, but Banias do business because they like it" (Fox, 1969, p. 57).
16. However, the fact that there are 13 elected municipal board members has caused some confusion. During fieldwork a writ was served on the Executive Officer, the Collector of Tonk, the District Magistrate and the patwari for allegedly altering the ward boundaries illegally. During the Emergency the writ was shelved and apparently the case has still not been heard.

## CHAPTER TWO

1. Basic statistical data from which the tables and figures in this section derive can be found in the Town Handbooks of the Rajasthan District Gazetteers (New Series). The tabulation and arithmetical calculations are, unless acknowledged otherwise, my own.
2. No figures are available before the turn of the century, however, the Imperial Gazetteer (1908) mentions a series of disastrous famines and fevers in the last decade of the previous century which encouraged the emigration from Rajputana in excess of 100,000 people (enumerated elsewhere in India). In addition, there were 31,980 deaths from bubonic plague in Jaipur State alone between October 1896 and March 1905 linked to the recurrent famine. A Marwari proverb tells us to expect one lean year in three, one famine year in eight. Informants said that in 1899 there was nothing left to sell in Mandi except shrouds for the dead. Set against this background of recurrent disaster the recent prosperity of the town takes on an added significance.
3. Ahimsa is linked to the doctrine of transmigration of souls and retribution for actions, in which Jains explicitly believe. So, for example, they must strain the water with which fruit and vegetables are washed before cooking because water contains living things and to consume them is murder. The implications of these doctrines (transmigration of souls, irrevocable consequences of actions and the third component: the nature of right action) are discussed in detail in chapter five.
4. This assertion clearly derives from the Imperial Gazetteer references to Jaipur and Tonk States. Since 1931 figures on caste affiliation have not been collected in India except for the Scheduled Castes and Tribes. There seems no reason to disagree with the prominence given to Mahajans in contemporary times, since the growth of business is inexorably linked to Mahajan dominance in the bazaar area, as will be shown in chapter three.
5. This is applicable to Jains and Muslims as well as Hindus, though bathing in sacred rivers and at holy places is particularly associated with the latter, for whom it is the most efficacious means of removing the strongest pollution e.g. death. For all, bathing in running water is a widespread technique for alle-

viating impurity, and should be performed fully clothed, accompanied by shaving (for men) and removal of body hair (for women). The nose, mouth, ears and eyes are sluiced with water and the tongue cleaned with a silver scraper, before embarking upon appropriate hymns and prayers. Bathing is also a fortification against future pollution at the place of work, or in the market place, and a precaution against pollution unknowingly contracted outside the home, to be taken immediately upon return. The compartmentalisation of house and work is especially marked amongst Jains and Vaishnavas and this will be discussed further in chapter seven.

6. Several land reforms have been attempted since the formation of Rajasthan. Among the most important acts are the Rajasthan Protection of Tenants Ordinance, 1949, later repealed by the Rajasthan Tenancy Act, 1955, the Rajasthan Land Reforms and Resumption of Jagirs Act 1952, Rajasthan Land Utilisation Act 1954, Rajasthan Agricultural Loan Act 1956, Rajasthan Land Revenue Act 1956, Discontinuation of Cesses Act 1969 and the Rajasthan Removal of Trees (Regulation) Ordinance 1949 with various amendments. The purpose of these acts has been to attempt to improve the conditions of low caste cultivators and to release land for cultivation as part of the Grow More Food Campaign. These rural uplift schemes have naturally been controversial.

### CHAPTER THREE

1. What constitutes the typical business family will be discussed in detail in chapter seven. Mahajan families are patrilineal in descent, patrilocal in residence, and ideally organised in a joint family system: a household wherein there are two or more adult males (i.e. males over 18 years old) but this is a very minimal form of jointness. Some of these joint or extended families are sizeable, consisting of more than two dozen kin living in the same household. Individuals residing outside the household may also be considered joint family members in certain circumstances.
2. Though it is as illegal in India as it is in the West for a group of firms to constitute a cartel and prices, governments are powerless to tackle indirect economic barriers. They are erected by tacit consent and it is possible then no telephone call or note may even mention the subject. The mechanism works by anticipation of others' reactions to a joint threat.

For example, in the 'brand war', as Lipsey says: 'Product differentiation and brand advertising create substantial barriers where technological ones are weak and they allow existing firms to move in the direction of joint profit-maximisation, without fear of a flood of new entrants attracted by the high profits' (Lipsey, 1971, p. 288). A new entrant on the market has a small proportion of the total sales. If the number of products is increased, the share of the new entrant will correspondingly decline, especially if the increase is accompanied by heavy advertising campaigns on behalf of the established firms. Product differentiation, accompanied by advertising, can proliferate until the new entrant is forced out of business.

3. Thus it would be wrong to assume that newcomers are excluded and as in western industrial societies, the economic system encourages the newcomer as much as it discourages him. For the true entrepreneur, hard times can, in fact, create new opportunities. For example, whilst the giant cigarette companies have been wilting under the impact of successive duty increases and lower real spending power in recent years, one company, Rizla, has been doing better than ever. Rizla manufactures cigarette paper and cigarette rollers, thus permitting smokers to half their bills. Rizla's 1973 figures show that profits totalled £1.1 million, return on sales 40% and return on shareholders funds 45%, an amazing record for any company and particularly for a small company (The Economist, 1.3.1976).
4. See also Bayly, 1975, p. 5) for a similar story.
5. Mutual interdependence emerges with a small number of firms. If the number were large, i.e. the market were highly competitive, each could suppose it had no influence on any other, so that no reactions need be considered. At the other extreme, a monopolist need not consider reactions since there are no other firms to react. Viewed against this perspective Mandi's businesses resemble the multinational corporations of the west rather than western family businesses for both operate in oligopolistic markets. Thus, the British soap and detergent market is dominated by (a) Lever Brothers and (b) Procter and Gamble. Between them they manufacture virtually all the soap and detergent brands in U.K. In the same way, the Mahajan caste category dominate the markets for certain commodities in Mandi, as indicated in Table 3.6 The principle remains the same.

## CHAPTER FOUR

1. Mandelbaum (1970) uses the term 'caste category' however as a translation of the Sanskrit term varna. This is rarely used in the local context except by educated and wealthy people who are endeavouring to demonstrate their familiarity with the ancient 'Great Tradition', Marriott (1955) by which is meant the texts and tenets of orthodox Hinduism. Thus merchants should be allocated to the Vaisya varna since this estate covers the traditional occupational calling of trade—vanij—hence the word Bania or its regional variants Baniya, Wani etc.
2. Millman (1954, p. 16) has compiled a list using published material and informants' statements of the 14 Marwari jatis classified as belonging to the Vaisya varna. These are as follows: Agrawal Vaishnavite, Agrawal Jain, Oswal Vaishnavite, Oswal Jain, Maheshwari (all Vaishnavite), Khandelwal Vaishnavite, Khandelwal Jain (Seroagi—Degambir Jains), Vijay Vargia (all Vaishnavite), Tikkewal (all Vaishnavite), Jaiswal, Paliwal, Porwal, Sreemal, Shreshshreemal (all Jains). Informants in Mandi confirmed his assertion that there are 12½ castes amongst the Marwaris and that 'no single Marwari was found who knew all the Vaisya castes which could be classified as Marwari' (Millman, 1954, p. 16). This peculiar characteristic of classification (i.e. half a caste) is repeated amongst the gotras of Agrawals, which informants said totalled 17½. Presumably, this haziness of classificatory categories is functional in that it: (a) implies that the taxonomy is finite whilst (b) permits negotiation of unclear rankings.
3. Biradari literally means brotherhood. As Alavi (1972) has shown, the term has three connotations in actual usage: a collection of related households, between whom actual links of common descent can be traced patrilineally; secondly fraternal solidarity between such households as demonstrated by gift exchange on ceremonial occasions; thirdly an endogamous group based on the limits of kindred recognition. Zat (or jati) by contrast is an endogamous, hereditary, social group which has a name and is commensally restricted. Each jati has a fixed position in the caste hierarchy, this being determined according to concepts underpinned by Hinduism regarding the purity or impurity of its traditional occupational specialization.



4. See for example Marriott's famous article (1959) 'Interactional and Attributional Theories of Caste Ranking' and Mayer (1960) which attempt to determine customarily regulated practices concerning the scale of pollution (or relative impurity) and to construct a ranking of castes according to the structure of interaction among them. Criteria chosen by these and other writers to act as indices of relative interaction include acceptance of food and water by one caste from the hands of another, sharing a water pipe, and the giving and receiving of goods and services at ritual occasions. However, as Dumont acidly comments "it is not so much the people concerned as the investigators who try to attach the various aspects of the system to one given level" (Dumont, 1972, p. 190).
5. Pace of course Meillassoux (1973) who finds that Indianists use the notion of caste tautologically, giving pre-eminence to religious power over the political power, and hence fail to penetrate the dominant ideology: "The attempt we see today to give it a structuralist coherence seems more like an ideological patching-up operation than a scientific enterprise" (Meillassoux, 1973, p. 108). Predictably, Meillassoux finds that caste is an ideological screen which prevents classes from recognizing themselves as such. This approach is, however, a welcome breath of fresh air on a theoretical perspective which had shown signs of being impossibly reified.
6. The situation regarding Jain pandits' ritual duties was not at all clear in Mandi, due in part to religious prohibitions upon revealing details of the faith to outsiders. One elderly woman from a leading Khandelwal Jain family in Mandi was acclaimed as a guru, but in view of her vow of silence interviews were impossible. Jains do not wear the sacred thread (janoi) as do Vaishnavas, but all other major stages of life are marked in a similar manner.
7. Working with one's hands is demeaning for the dvija (twice born)—i.e. members of the upper three varnas who are entitled to wear the sacred thread, thus signalling social initiation or a 'second birth'. A second consideration is that ploughing the land runs the risk of accidentally taking life. For both Jains and Vaishnavas this is the supreme sin.

8. Jain monks were perhaps the most ascetically organised of all the renunciatory sects to the extent that the Buddha himself rebuked them (Dumont, 1973, p. 193). It appears that the extreme nature of monachistic practices centring around the concept of ahimsa have contributed remarkably to lay thinking and life-style. The elaboration of taxonomic orders regulating the conduct of the Jain monks life are truly remarkable: for example he should sweep the path as he walks in order to avoid minute (microscopic) living things being crushed underfoot, breathe through a gauze mask, drink water which someone else has boiled etc. See Stevenson (1915) for further details. In addition, the avoidance of attachment, which is central to these taxonomies, is also paralleled—though to a much lesser extent—by the detachment from social life characteristic of merchants generally. As Fox puts it: "In many ways the Bania stands apart from society, partially by his own choice, partially by the distaste by him for other castes, so that his social life, other than business dealings, is relatively unknown to the general populace" (Fox, 1969, p. 43). This is vital for a profession where every social or ritual entanglement may hinder 'using' other people in a business context.

## CHAPTER FIVE

1. E.g. Bernier (1830) and Dubois (1906) et al. The general portrayal of the traditional merchant castes as cowardly, exploitative, and over-concerned with religious duty perhaps explains two contradictory prejudices about Banias' behaviour (a) that as a moneylending class, greedy for money, they siphon off wealth, causing widespread rural indebtedness (Darling, 1947) and (b) their other-worldly orientation and religiosity preclude their entry into profitable economic activity. Dogma and reality are of course not equivalent.
2. Luigi Barzini (1964) has explored this difference with reference to the Italian Problema del Mezzogiorno. He points out that both northerners and southerners alike want to protect themselves from the envy, hatred, ill-will, greed and treachery of the outside world, the state, society, law and the mighty. But there the resemblance stops. The northerner thinks that there is only one way to achieve their common aims: the acquisition of la ricchezza. He is prepared to undergo any sacrifice to gain the advantages which wealth can

confer. He is very close to being homo economicus. The southerner, on the other hand, thinks that only power, prestige and authority will do the job. He cultivates the gratitude of powerful friends and relatives, the fear of his enemies and the respect of everybody, acquiring not true wealth but the appearance of wealth. Barzini concludes with the paradox that whereas southerners seek money through honour, northerners seek honour through money. It is this sort of distinction which Bayly is trying to draw between the traditional merchants of Benares and the entrepreneur of classical economic theory.

3. Timberg, incidentally, argues that it is lack of a time perspective which leads to this conclusion. The longer-range view of the historical approach allows greater appreciation of the gestation period needed for industrial enterprise to become established. I do not wish to argue the supremacy of the diachronic over the synchronic, but this point is worth noting.
4. For instance, Salisbury (1962) has shown that the introduction of new technology—steel axes for stone—shortened the period of necessary work in one Melanesian society; economic gain being expressed in terms of expanding leisure time rather than output. As indicated earlier, rational behaviour approximates to maximising i.e. realising the greatest possible returns. However where production is for livelihood, productive capacity is geared to the needs of the domestic group and therefore by its nature limited to their objectives. Once livelihood is assured, work tends to cease accordingly, hence the intermittent character of production in traditional societies, even when harnessed to the market.
5. This may be compared with Derrett's interpretation (1976, personal communication). Thus dharma can mean: a) the inherent nature of something; b) an injunction to do something; c) the way of life of somebody; d) piety, shading into punya: merit and sukke: bliss; e) ~~righteousness~~—especially by following the fivefold path of satya, ahimsa etc; f) sacrifice and the supersensory effects thus achieved. Of these six interpretations, only the last seems to have no local usage, but only the first three are common.

6. Again, Dumont makes the point that "the theory of the gift to the Brahmins, a pre-eminently meritorious action, can be regarded as establishing a means of transforming material goods into (ritual) values" (1972, p. 30). However local Mahajan informants asserted that all dan is bad except guptadan (secret gifts) and gifts to Brahmins could even be sinful. The fact that a Brahmin accepts dan indicates bad character, especially if the amounts concerned are large, and any sins committed with the money rebounded upon the donor, whether he is aware of them or not.
7. It is significant that Benares, Agra, Allahabad and Delhi are better situated with regard to the customary disposal of the dead as they are all river cities. Hence, as outsiders, Mahajans from Mandi must use tirath-purohits (pilgrimage priests) for mortuary rituals in Hardwar presumably? Unfortunately I have no data on this.
8. Of relevance here, too, is the approved method of disposing of an old Quran (or the other recognised holy books for Muslims): the pages if loose should be gathered together carefully and placed in clean running water, such as a stream, until the ink has been washed away, then the remaining paper, if any, collected and buried. As one informant puts it: "It's the ink that makes the pages special and after that's gone the paper can be put underfoot or anywhere".
9. In 1910 and 1943 reforms were introduced to circumscribe the limits of loans to the jagirdars, particularly to reduce the high rate of indebtedness through heavy loans taken for the payment of armies or maintenance of government. Under the new laws, no Mahajan could lend a jagirdar more than a month's income. The most recent regulation of moneylending is the Rajasthan Moneylenders' Act (I of 1964).

## CHAPTER SIX

1. Fox (1969, p. 143) has suggested that caste-based values direct the highly developed profit motive of the Banias "not into large scale entrepreneurial channels but into less risky but equally profitable realms of adulteration, cheating and black-marketeering". Later, he comments that dishonest trading practices are due to "an impoverished consumer class not willing to accept the necessity for a merchant's profit" (Fox, 1969, p. 161). This would imply that indigenous busi-

ness 'style' is more closely integrated with regional economic conditions than traditional mentality. I shall return to this point again.

2. Gupta remarks that "the co-operative banks and moneyed agriculturalists who replaced the Aggarwals as bankers and moneylenders operate only for the benefit of the upper few, leaving the vast majority of the middle and lower rung cultivators resourceless" (Gupta, 1974, p. 5). He goes on to say that not only do the co-operative banks have built-in defects, which limit their functioning, but they are corrupt. The difficulties faced by villagers in getting loans from the co-operative societies and the three commercial banks in Mandi are a reminder that the rural credit problem is complex.
3. The large general shop, for example, has many of the advantages of large scale manufacturing: by extending its market overheads are spread, hence costs are proportionately less and so it gives better value for money. The malik is likely to have a good knowledge of suppliers and where to locate goods in demand. The size of trade is such that a variety of goods can be stocked, beyond the resources of most small unit shops. Lastly it can get rid of goods at bargain prices or even at a loss, in the expectation that customers will make secondary purchases.
4. A maund is a local unit of measurement, equivalent to approximately 42 kilos.
5. Discussing the activities of commission agents in Ibadan, Cohen (1969b, p. 80): "as in the cattle trade, in this case, too, a kola landlord cannot concentrate on his own dealings without adversely affecting his own interests as a kola landlord". It seems clear that the various pressures which inhibit a commission agent from becoming a trader are structured into the organisation of long distance trade in developing countries.
6. Hundis have a long and interesting history. Examples have been found dating back to the thirteenth and fourteenth centuries (AD) and recovered from China and Persia. For a detailed account see Jain (1929) Indigenous banking in India.
7. 'Seth' was more than an honorific title traditionally. The seth had responsibility in town administration. As residues from an earlier period there are, at

present, some cities, such as Allahabad, with hereditary elders (schresths) corresponding to the occidental mayor (Weber, 1962, p. 84). The schresths were the headmen of sreni, approximately equivalent to mediaeval guilds, and some were composed exclusively of merchants and bankers (Millman, 1954, p. 66). The mercantile srenis were engaged in extensive banking operations and often acted as quartermasters for the princely states of western India, for example, supplying elephants. The schresths, or as Millman calls them, sresthi, would appear to be the fore-runner of the modern seth, an honorific name now used in addressing a respected merchant.

8. Female labour is traditional in, for example, construction and agricultural work, however.

#### CHAPTER SEVEN

1. Shah (1974, p. 23) argues, however, that the joint family is a residential rather than a property-sharing unit, which poses problems in classifying families where members from one household regularly collaborate with consanguineal kin from the others in collective projects of an economic nature or otherwise, most notably sharing the death pollution of agnates. His criticism of the coparcenary approach—that if shared property rights are taken as the key, then two males alone could form a joint family—is a valid one. The principal issue seems to be the nature and degree of integrated interests.
2. The problem here is, of course, that if a family is joint when it 'feels joint', surely it could be classified as joint without any of the criteria given as to property, residence etc? Therefore, although the household and the joint family can be seen as separate entities the tendency is to take them together. The point must be that, despite the separation of residence, the influence of the joint family is reflected in combined enterprises and especially in the management structures of traditional businesses.
3. Carstairs (1961) deals at length with the symbolic referents of 'upper' and 'lower' from the psychological perspective. Thus in personal terms, the head is purer than the shoulders, the shoulders than the waist and so on, the most impure being the feet. The hierarchy of states of purity—or relative impurity—has been noted several times above. I mention this again since it indicates how hierarchy manifests itself as exclu-

sivity amongst the merchant castes: everything outside the house is polluting and dangerous and the nearer the outside world, the less pure is the interior.

4. See also Fox, 1969, p. 171 (footnote). Official/legal recognition of a family business comes from paying sales tax or from income tax. However, instead of declaring his income, a merchant in India is asked the amount of his total sales and the income tax officer calculates the tax to be deducted from this figure. This contributes to the lack of separation of household from business.
5. The Hindi alphabet, as taught in the temple schools begins with four letters: K, KH, Ga and GH. Children are taught that K represents kaam (work); KH represents khana (food); G stands for gamana (jewellery); and GH stands for gher (house). It is explained to them that work produces food, wealth, and a home for the family. The fundamentals of Mahajan business ideology are thus instilled from the beginning. (See also Bayly, 1975, p. 7 who develops this theme further).
6. Addiction to sweets is associated with unreliability and is believed to be a family trait particularly transmitted through women. See Ved Prakash Vatuk and Sylvia Vatuk, "Chatorpan: a culturally conditioned form of addiction in India" in The International Journal of the Addictions, 2, 1967, pp. 103-113.
7. Parry (1979, pp. 274-282) argues that lineage names themselves permit ambiguity of interpretation which are useful in the context of status-building, particularly those which derive from a locality. Thus he argues "there seems to be no logical limit to the process of fragmentation of the status group" (p. 277) and, I would add, equally no limit to the reformulation of status groups, especially in situations of demographic change as in Mandi. This is of special relevance in terms of the redefinition of the rules of vaniakapta, which I discuss below.
8. Dumont defines the marriage alliance as "an extended and permanent affinity" (1972, p. 154) with reference to south Indian kinship systems, wherein mother's brother-sister's daughter marriage forms a central institution. This has the effect of perpetuating counter-balancing affinal/consanguineal relations over time. But it is not found in the north, however, and I would argue that here we should rather look at marital institutions in the less restrictive usage

of 'alliance', that is, the joining together in pursuit of common interests. As a connection of kinship between lineages, marriage is not necessarily a permanent kinship bond in effect, even though the marriage alliance is indissoluble, and frequently forms the extrinsic pretext for interaction of rather different kinds (see Pettigrew, 1975).

9. Marriages are performed with elaborate ceremonies and festivities. Among Vaishnavas and Jains the rites are similar. For a detailed account of these see Gupta (1976) and Hazlehurst (1968).
10. Das (1975, p. 77) suggests that the high rate of female suicide in regions like Saurashtra and the fact that this is usually attributed to oppression by 'in-laws' lends support to her hypothesis that hypergamy and suicide are inter-connected, though not exclusively. Certainly, the greater the ease with which a woman is incorporated into her husband's kin group, the greater the possibility that, whatever the formal rules of social interaction between wife-givers and wife-receivers, her position will not be one of total dependency.

## CHAPTER EIGHT

1. The inspiration for the layout of this chapter derive from Hutson (1974, p. 17) whose discussion of "why, today, villagers (in Valloire) are innovating successfully in the private sphere whilst the public sphere is dogged by troubles and appears conservative" is very clearly most pertinent. Hutson uses a single framework of questions to analyse the differences between family enterprise and village enterprise and also between the traditional rich and the modern tradesmen. In Mandi the traditional rich are the modern tradesmen from whom the industrial entrepreneurs are drawn. A second difference in approach is that Hutson analyses the social structure of the village as a major component in the development of a mentalité which restricts the innovators. My argument is that the centrality of the family in Mahajani business ideology promotes private gain whilst inhibiting externally directed economic change. Therefore, as outlined in the introductory chapter to this thesis, the stress on contextually understanding the operation of ideological components, and in particular the nature of encapsulating systems.
2. As discussed in chapter, two Marwaris have been famous throughout India since the latter half of last century for their migrations. The process of migration emptied



some parts of Rajasthan of their indigenous merchant castes. Mandi itself has had its share of adventurers: the first Marwari to open shop in Dacca (now Bangladesh) in the 1850's was reputedly from Mandi, then a village. For details of the migratory process see Timberg (1978).

3. Fox (1969) uses this argument to further his theme that Baniyas of Texibazar are subsistence-oriented in their business organisation. Whilst the main aim of Baniyas/Mahajans is to maintain the family this does not preclude manipulating other people and resources in pursuit of discernible profit, surely? The stagnation of Tezibazar's economy seems more likely to be related to the fact that Eastern Uttar Pradesh, in his own words "is sorely behind the central, and particularly, the western regions" (p. 8). Bayly's study of Kara near Allahabad in Eastern UP stands as a paradigm for "progressive de-urbanisation" (1980, p. 39) based on commercial decline in the region generally, related to the coming of the railways and the loss of superior administrative functions. Comparisons would be rewarding but regrettably lie beyond the scope of this study.
4. The names of these governmental and quasi-governmental institutions have been changed and simplified where appropriate in order to shield several helpful individual from the civil servants' bugbear: publicity. Nonetheless thanks are due; it is a pity that they must remain nameless.

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